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BOMBAY BRANCH
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'THINGS OF INDIA

MADE PLAIN;

OR,

A JOURNALIST'S RETROSPECT.

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By W. MARTIN WOOD

(*Formerly Editor of the* TIMES OF INDIA *and of the* BOMBAY REVIEW).

TO CONSIST OF FOUR PARTS.

PART I.

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"THE MOTHER OF FORESIGHT LOOKS BACKWARD."—EGYPTIAN PROVERB.

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PREFACE.

"AT last!" as Charles Kingsley exclaimed, when fairly started on that voyage to the "Spanish Main" that had been the dream of his life, that Spanish Main the histories and scenes of which had mingled with all the more enthusiastic efforts of his own literary career. In much more prosaic mood, but with somewhat similar sense of long-deferred purpose brought within reach, may the present writer be permitted to congratulate himself that there is at length—after many delays that need not be here accounted for—some prospect of chance gleanings of past years of labour being garnered in fresh print, and rendered available for inspection and reference by those whom they may concern.

Whether any one else can be congratulated on the publication of these excerpts, is a question that can only be tested by the verdict that may be passed on this volume by those whose experience and position give value to their opinion on so special a subject. But at least some show of justification is needed. It has been aptly said that the editor of the broad-sheet diurnal is one who writes on the sand with the tide coming in; so the question arises, can there be much use in exhibiting a few of these otherwise transient inscriptions which have happened to escape obliteration, as is occasionally shown in the ripple-marks retained on the level strata of a sandstone quarry? Perhaps the possibility of such rescued improvisations being of occasional use will be admitted. As the geologist, viewing petrified indentations and wavy curves, can trace the course of streams that have long before found other channels, or perceive the set of tides that elsewhere still obey those laws that are perennial; so the political philosopher, if he deign to dip into these notes of days gone by, can see the efflux of once heated controversies; or he may more usefully trace the bearing of those ever-present factors in national life that must always be counted with, and perceive the operation of those political and social principles which always tell for good or evil alike in the East as in the West, in India as in Europe.

Perhaps it may be said that as this republished matter relates to scenes and circumstances that are remote and already historical, and concern India wholly, how is it to be expected that the busy and much preoccupied British public of to-day can take an interest in such disconnected memoranda as are here collected? It is not expected that the public at large will rush to read this unmethodical cyclopædia; but it is hoped that a few persons of inquiring and thoughtful turn of mind may, by aid of our Index, find some side-lights thrown on the great problem of British rule in India, which they have sought ineffectually in more pretending volumes where the subject is treated in a direct didactic method. It is amongst the patient few who take the trouble to scan these inconsecutive chapters of Anglo-Indian affairs that we may expect to find those who most fully realise, on one hand, the weight of the responsibility, on the other the grandeur of the task involved in Britain's sway over the ancient Empire of India. True, there may not be much of heroic strain in these old newspaper articles, though something here and there to recall the nobility of character, the self-consuming energy, which, as expended on the founding and building up of the British Indian Empire, have gone to form, and will stand in

history as an enduring part of our long island story. But abler pens than this have done ample justice to that higher aspect of Anglo-Indian affairs. The much humbler service is required of making these affairs plain, of assisting the untravelled Englishman to find his way in judging rightly regarding races and social systems so alien to his own, and in deciding on questions of polity and administration most of which are foreign to the whole course of our domestic politics. It may at once be said that it is mainly in the hope of fulfilling the modest functions of an expositor, of one who makes plain, that these extracts have been selected and reprinted. It is not pretended for a moment that the opinions set forth and the various conclusions indicated are likely to be accepted by all who may scan them now. In respect of many topics, the writer's own views must have been modified in the ten or fifteen years since they were penned. He sought to write what seemed true and reasonable at the time; and, relying on the reflex influence of that method of dealing with public questions, he believes that even the portions of these notes that touch upon topics now superseded or forgotten will, at least, serve to enable English politicians to see that Indian questions can only be mastered by painstaking, detailed examination. It is one of the foibles of the English people to shun the taking of trouble; and it is another to assume that a knowledge of first principles will suffice for judging of any set of political circumstances. In tracing our way through the vast and varied field of Indian affairs, where ancient customs are still struggling against modern needs, it is necessary to scrutinise those affairs closely, to examine them in detail, and, as much as may be, at first hand. Several passages in these extracts may serve such useful purpose; and, though the selections are necessarily fragmentary in form and intermittent in order, it is believed they will supply some links that have been unavoidably dropped in various Indian histories and biographies published since the period of the Mutiny.

Notes of what a journalist has had to write as exigencies of the time arose, come nearest in form to that of a politician's or a statesman's diary. Let it not be supposed that the present writer would be rash enough to risk comparison with works comprising any such weighty and authoritative matter; but here is one suitable passage that may in some sort serve, on the one hand, as apology for reproduction of writings on incidents so long past, and, on the other, as justification for reprinting these writings just as issued in and under pressure of the time. The diary of the Marquis of Hastings, Governor-General of India in 1813, was not published until 1858. His daughter, the Marchioness of Bute, who prepared the papers for the press, thus vindicates their publication after so long an interval, and justifies the giving them exactly as they left his Lordship's pen: "At a time like the present, when India absorbs so much general attention, it may "not only be interesting, but useful, to observe the impression received even forty-five "years since by a man of mature age, of experience in life under various phases, "and whose position afforded him an unlimited insight into all points, both civil and "military, of the vast Eastern Empire. It is, therefore, strictly copied from the "original manuscript, even to the very words, though the changes that are constantly "in our language tend to throw a look of antiquity over what was in Lord Hastings' "time polished English."

It cannot be said that India now absorbs anything like such general attention as in 1858, when that realm was still vibrating with the shock of the great revolt; but it may perhaps be affirmed that there is now a more continuous and settled desire amongst English public men to know how they can best fulfil their responsibility to the trust imposed on the nation by our possession of India. Hence it may be hoped that much that is unusual in the course thus adopted, of presenting writings on Indian topics that are mainly retrospective, will be forgiven so far as they may prove suggestive for present and future use.

Many of these extracts may fairly claim the humble but distinctly useful purpose of *memoires pour servir*, more especially as scarcely any consecutive general history of India has yet been published that covers the period since 1865, when these records begin. They relate to the administrative history of three Governors-General—Lords Lawrence, Mayo, and Northbrook; and to the tenure of three Governors of Bombay —Sir Bartle Frere, Sir Seymour Fitzgerald, and Sir Philip Wodehouse. They include current references to events now so remote as the Bhotan War of 1864-5; the Orissa Famine of 1866; the Abyssinian Expedition; H.R.H. the Duke of Edinburgh's visit to India; the Central Asian question, both in its geographical and political aspects; the catastrophe of Earl Mayo's assassination; the great Durbar held by Lord Northbrook at Bombay in 1872; the development of railways and other public works; the commercial vicissitudes and financial policy during nearly ten years of India's rapidly changing circumstances.

Possibly it may be objected that considerable portion of these extracts relate to Bombay and its territories. Those who cannot stoop to such local interests can easily skip the passages occupied therewith; but there are others who will think it worth while to learn something more than they may know already about the second city in the British Empire. It will be remembered that, after a remarkable and sudden accession of prosperity, one of the severest monetary crises of modern times befell that city; and amongst these extracts will be found notes that may prove of interest to captains of industry and managers of finance in other great centres of commerce. It cannot be uninstructive also to trace indications of the struggles of an Indian city in taking on itself the charges and responsibilities of modern conservancy, water-supply, and harbour works. Personal references, criticisms, or eulogies may seem to English readers to occur in undue proportion; but Anglo-Indian affairs have hitherto been mainly dominated by personal influences; therefore the journalist must deal largely therewith in as broad and catholic a tone as may be.

After all, this collection of excerpts presents but a "thing of shreds and patches," and a meagre show, if it were to be taken as representing the journalistic labours of nine years. It will be seen that in scarcely any case is a complete article given; so that, in all, more or less violence is inflicted on the argument and composition; but this was inevitable if the reprints were to be brought within manageable compass. On the other hand, it has been found impracticable to rescue various articles that were desirable to keep up the semblance of continuity, and, as usually happens, some of these are what the writer set most store upon. It should be stated that, whilst the columns of the *Times of India*, when under his charge, were often enriched by contributions from practised writers and public men intimately conversant with Indian affairs, all here reprinted are his own handiwork, such as it is. Here also the writer may be permitted to mention that in the interval from the date when this series ends, February, 1874, to the close of 1878, he frequently wrote for other Indian journals. At the last-named date, he commenced the publication of a weekly paper, the *Bombay Review*, which was continued up to January, 1881. On that journal, during a period when war and famine cast their deepest shadows, was expended much of his riper experience in Indian affairs; let us hope that he did good service at the time, and if any students of contemporary history care to have the record, the two or three volumes of the *Review* may be still extant in certain public libraries.

June, 1882.

[*It is desirable to explain that the above Preface was written under the intention of printing a larger selection of Extracts than has been found practicable.*]

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PART I.

1.—PERSONAL AND HISTORICAL.

A CIVILIAN AND A MERCHANT.

YESTERDAY, amongst the numerous homeward passengers by the *Baroda*, there were two men taking their final leave of Bombay who each might be referred to as representing two distinct classes of our Anglo-Indian community. Henry Lacon Anderson as the administrator, and John Fleming as the merchant, stand as types of men whose characteristics must determine the fortunes of England in the East, and who will, so to speak, set the fashion as to the form that Western civilisation shall take in India. In saying this we are not unmindful of the great influence which at least one other special class may have in this country; but it is the constant action of character through daily intercourse which, in this work-day world, really tells. Educationists, religious teachers, military and professional men may each contribute their share of European influence in this country, but its broad mark and lasting impress will come through our civil rulers and settled merchants. . . . . .

A year or two later found Mr. Anderson, a member of the Supreme Council of India, associated on equal terms, in tasks of general Indian legislation, with men of ripe experience, extensive knowledge, and finest culture. He has himself characterised his colleagues in sentences which leave nothing to be added; and it is the most decisive testimony to Mr. Anderson's talents that, at so comparatively an early age, he should have been mated with men like Harington, Maine, and Muir. His more special labour in the Supreme Council has been to promote a reconciliation between the requirements of modern jurisprudence and the conscientious scruples of a people whose social usages and religious tenets are continually misrepresented and misunderstood everywhere except in Bombay. In this difficult task—at Calcutta, one requiring a good deal of moral courage—Mr. Anderson has admirably succeeded; and his name will be revered by the Parsees, even long after their community may have outgrown those views in respect of which he has obtained for them legal protection. This portion of Mr. Anderson's public labours is perhaps the most characteristic of any. He has ever striven to show consideration to the feelings of those who differed from him, or were subject to his power; and by this last test it is that a man's character is most fairly tried. It is not a trait very commonly seen in the Anglo-Saxon character, this ready deference to and respect for the feelings of those with whom we happen to be brought into unequal relations. Yet it is one which has been cultivated in the school in which Mr. Anderson was trained, and the result has been to produce some men, who, as types of English character, have not been matched on any other field. . . . . .

We have already admitted that he has nobly earned his leisure, but we own to a twinge of jealousy on behalf of the State. Many much smaller men than Mr. Anderson have acquitted themselves well as Chief Commissioners and Lieutenant-Governors of our largest provinces. India, in this, her transition stage, needs men like him of a genial and impressible stamp, and of fully ripened powers. Shall we not then be pardoned in expressing a hope that Mr. Anderson may yet find it his "pleasure and his pride" to turn his face eastward once again?—*May 15, 1865.*

II.—It is much to be regretted that the community of Bombay had not some public opportunity afforded them of bidding farewell to Mr. John Fleming. Holding no official position, there was not conventional excuse for pressing it upon him; but it will be agreed that there has seldom been an instance when so much practical instruction could have been gleaned from the recital of a simple narrative, as would have been if Mr. Fleming had himself told the story of his sixteen years' residence in Bombay. . . . . .

It was in 1849 that Mr. Fleming took his place in the Bombay branch of Messrs. Nicol and Co.'s firm. Led by the ordinary course of business into intimate acquaintance with the native cotton merchants on the Green, he, by his frank and considerate address, speedily gained their confidence. This was not sufficient to satisfy either his persevering habits, or that spirit of genuine politeness which pervaded all his intercourse with those around him. He gladly undertook the study of the native languages, and acquired a more thorough practical knowledge of the Guzerati tongue than, perhaps, any other European has done. This it was chiefly which gave him such influence with the native mercantile community. He met them on their own ground, and by that means they came to repose confidence in his judgment to an extent greater than ever has been the case, except, perhaps, in that of some official "residents" of the olden time. This acquirement of Mr. Fleming's, no doubt, tended to the pecuniary advantage of his firm; but we feel quite satisfied that it was with him but a secondary consideration. Even on these grounds it would be abundantly worth while for any young merchant to follow his example; yet it is for higher and more comprehensive purposes that, in this particular, we would have them emulate him. Those who have had the opportunity to observe his mode of addressing a native assembly—how admirably he combined suavity of manner with a dignified respect for the judgment of those to whom he was appealing or explaining—will often have felt they had incidentally gained a lesson in humanity from this British merchant. As Englishmen increase in India, especially in the Presidency towns, there is more temptation to shirk the labour of acquiring the vernacular tongues. It should be remembered, however, that the field of enterprise and intercourse with the interior is also ever widening in its scope; and we cannot conceive of any young merchant, at all acquainted with this admirable feature in the career of John Fleming, who can hesitate to follow his example in this respect. . . . . .

To mention that Mr. Fleming was the first of our great promoters of reclamations may, in this rueful day, provoke a growl of dissent against our estimate of his business character. But it is well known that he has, on more than one notable occasion, bent all his influence to check the crave for high premiums. That some have driven at a reckless pace along the road which he opened, is clearly the fault of the passengers and not that of the road-maker. The Elphinstone docks and bunders are of immediate practical service to the port, and have already been of assistance during the pressure of our unwonted trade. Were we inclined to criticise Mr. Fleming's course in connection with this part of it, we should say that it might be taken as an illustration of his too exclusively practical bias. In the position which he enjoyed, and with the resources at his command, it was within his power to have carried through a project for the construction of docks for *sea-going ships* of large size. . . . . .

Mr. Fleming has been an active supporter of the Scottish Ophanage Institution; but as to that, the world will set it down to his patriotism. Even under that light his efforts to relieve the fatherless in a strange land are worthy of honourable mention, as well as of more general imitation. The same may be said of his continuous exertions on behalf of European artisans, for whom so little adequate accommodation is yet provided. Thus it was not only in doing well to himself, and even to the mercantile class with which he was connected, that Mr. Fleming's deeds command our respect. . . . Although, like the rest of his class, his residence here was avowedly a temporary one, he laboured as

earnestly for the good of the people around him as he could have done if all his life were to have been spent in India. This country, and especially Bombay, cannot progress unless Anglo-Indians give more diligence to its affairs. Mr. Fleming's excellent influence on the native community will leave an impression which will last till the latest days of those who have known him. This, above all in his career, is worthy of imitation.—*May* 16, 1865.

AN UNJUDICIAL JUDGE.

ALTHOUGH the rumour went abroad on Saturday that Mr. T. Chisholm Anstey had been raised to the Bench, many who then heard it will, this morning over their matutinal cup, pause with involuntary astonishment as they peruse the announcement in print. The statement was with us on Friday evening, and we could have given it on Saturday morning; but deeming it an incredible one, we waited for confirmation doubly strong. However, there is now proof of the fact freely offered for public comment, and it is one that will form a striking item for the news home by the *Malta*. In various ways Bombay has done its best to obtain fame in the old country; but at any rate she is now sure of a brief notoriety. Professional men and old London politicians who would read with stoical indifference of our cotton wealth, our speculation, our panic, and our financials, will be aroused into a momentary sensation of wonder when they scan this last appointment to the Bench of our Supreme Court. Such men will turn to their old acquaintances and defy them to "guess who has been made a Judge at Bombay?" When the smile of incredulity has passed off, the query in return will be, "Were there no other lawyers of any experience at Bombay that the Governor was shut up to such an appointment?"

This is one of those matters about which it is not necessary to go into any prosy discussion; an instinctive judgment is at once passed upon it, and no after attempt to account for it avails to remove the first impression. We have never under-estimated Mr. Anstey's force of will, the volubility of his utterance, his powers of denunciation, and his skill to argue one side of a question, for it is these qualities that have mainly made him so successful as a barrister. Yet the possession of these qualities in *excess* is necessarily inconsistent with that balance of mind which is needed in a Judge. Thus the mention of Mr. Anstey's name in connection with a Judgeship, at once excites a quick sense of incongruity in the minds of those who have watched his public character for many years. It is true that familiarity blunts the perceptions; and in a small community, as in reality is the European community of Bombay, this remark especially holds good. Besides, audacity goes a long way in the common concerns of life, and wherever Mr. Anstey has met with timidity he has at once felt his advantage and has used it unsparingly. Whether it be the effects of the climate or from contact with Asiatics, we know not, but it is evident that with even some Europeans in Bombay there is a lack of moral courage and personal *à plomb*. Where else would Mr. Anstey have been permitted to defy the Bench, to browbeat witnesses, and to denounce with unsparing vituperation, whenever he chose to do so, any of his brethren of that bar of which he has been the self-elected champion? Where else than in Bombay could Mr. Anstey's diatribes against the Executive authority have been allowed to pass without rebuke? Now, we all find that Mr. Anstey knew "how the land lay;" there was a method in all these volcanic outbursts of temper, these dramatic displays of forensic power were well calculated, and he has given a brand-new gloss to the satiric line of his more genial countryman:—

"He who peppered highest was surest to please."

Mr. Anstey has occasionally "peppered" the "highest" functionaries in our little commonwealth, and now he has his reward. Let us strive to hope that a large proportion of those somewhat striking peculiarities for which the barrister has been noted will be doffed as easily as the gown; and that gravity, moderation, and wisdom will be donned with the new garb of the new Judge. . . . . .

It is not, however, our business to account for this unexpected and extraordinary selection, but only to note how it looks in the daylight of fact. We must confess that with us the effect has been to confirm very uncomfortable feelings with regard to Sir Bartle Frere, against which we have had to struggle for some time past. Space does not here permit of, nor is the occasion suitable for, our recapitulating the many reasons for

which we admire the character of His Excellency and approve of the general course of his administration. He certainly has no room to doubt the sincerity of the independent support we have given to most, if not all, of his public conduct. Yet there have been indications that when exigencies have arisen requiring firmness and self-reliance, Sir Bartle Frere has hesitated in exercising that responsibility which his position imposes upon him. One instance of this was his adoption of the hastily passed Resolution regarding the circumstances attending the march from Mhow of the Artillery battery in April last. At the time that Resolution was passed we felt that the decision was one inconsistent with the personal character of His Excellency, and one at variance with his better judgment. Yet, on its being placed before him by others, he had adopted it as his own, including the very unnecessary censure embodied in paragraph 4 of the Resolution. We have heard one of the noted orators of the day sum up in masterly array the striking excellences in the character of Henri Quatre, and then turn round and blur the grand picture by exclaiming that—this great man failed because he had never learned to say "no." It would, of course, be quite possible for dull men to fail by saying "no" at the wrong time; but Sir Bartle Frere has a clear intelligence to guide him, and an excellent judgment of his own, which could seldom if ever mislead if he would but rely thereon, and give his own decisions apart from the plausibly insinuated advice of gratuitous advisers. Of course we do not attempt to fathom the considerations which have induced him to make the choice on which we have just commented; but have to remark that it does not tally with our conception of Sir Bartle Frere's own judgment.—*Aug.* 7, 1865.

SIR BARTLE AT HIS BEST.

SIR BARTLE FRERE'S address, delivered "in their own tongue" to the Sirdars of the Deccan, is well worthy of close and thoughtful perusal. For the unobservant reader, it offers the ordinary attraction of good sense expressed in smooth but appropriate language; but, besides all that, it is the speech of an experienced politician, and as such it is not without deep and comprehensive significance. His Excellency speaks of having, during a period of thirty years, been acquainted with many of the families of the Sirdars, and of having from the first taken a warm and unceasing interest in the people whose tongue he was speaking. That this was no rhetorical device, like Louis Napoleon's borrowing of scraps from the Koran, can be made evident by the mention of a little incident occurring thirty years ago, when Mr. Frere, the young civilian, had before him, then untried, the "life which has been spent in the public service." He, and another young civilian happened, in travelling, to have been witnesses of some occurrences which became the subject of a criminal trial in the *kutcherry* of Rutnaghiri. The Magistrate, in accordance with the courtesy granted at home to witnesses of distinction, offered to the two civilians a seat near him on the bench, where they might give their evidence to him in English; this favour Mr. Frere declined, saying they had rather stand where other witnesses stood. They did so, and both gave their evidence in the language of the court, and which was understood by all who were present. The court was crowded; and an old mofussil Judge—who, besides the Magistrate and the two civilians, was the only other European present—remarked afterwards, that the moral effect of these two young Englishmen thus cordially complying with the circumstances of the occasion had an excellent and striking effect. This was only a passing incident, no doubt taken as a matter of course by the two young men; but, glancing back to it over the space of thirty years, it may serve to throw a clear light on the Durbar-speech to the Sirdars that we report to-day, and brings out its political significance very distinctly. The other young civilian, thus speaking Marathi in the mofussil witness-box thirty years ago, was Mr. Claude Erskine—who, we believe, is shortly expected to return to Bombay to pursue yet further that honourable career which in his case is, indeed, laid on him as an hereditary obligation.—*Sept.* 7, 1865.

II.—Had the Indian career of Sir Bartle Frere been far more encumbered with care than it has been, the scenes of Monday and Tuesday last would have gone far to obliterate from his retrospect all remembrance of past disappointments and vexations. It is to the Tuesday's scene that we here refer more particularly, as having exclusively a

personal interest. Many Indian statesmen have had conferred on them higher rank at home in recognition of their services here, but very few have received from the people of this country so singularly appropriate an acknowledgment of life-long effort on their behalf as did Sir Bartle Frere at Poona from the Sirdars of the Deccan. We refer not so much to Mr. Jansen's faithful portrait of His Excellency—which we trust may for generations to come adorn the Council Hall at Poona—as we do to the Anglo-Marathi address which, on a beautifully engrossed scroll, Sir Bartle Frere will take with him from these shores. The text of the address, with its counterpart, the reply, will duly take its place in that authentic though unattractive historical work, the *Bombay Government Gazette;* but it is much to be desired that some suitable means might be devised whereby these addresses could be rendered as accessible, if not so conspicuous, as the likeness itself. Although, as His Excellency remarked, "nothing can be more unlike the Deccan of my early days than what I see it now," it is yet, and, indeed, must always be, the highest duty and wisest course of British administrators in India—as it has ever been Sir Bartle Frere's delight—to follow the path indicated in this passage from the Sirdars' address:—

> It is our conviction that the high position which your Excellency has attained as Governor of Western India is but a fitting acknowledgment of the earnest efforts made by you from your first coming amongst us to promote our happiness and well-being, by *a patient study of the languages, manners, and customs of our country,* and by a warm sympathy and free intercourse with all classes with whom you have been brought in contact.

The words we have ventured to italicise, or rather the disposition and pursuits indicated by them, seem not less, but more than ever important to be had in regard. The more frequent intercourse with home, the more constant influence of English manners and modes of thought—circumstances which we can never alter if we would—all tend to unsettle the Government servants of these days, and to weaken their inclination for close sympathy with the career which they have chosen. . . . . .

The chief burden of Sir Bartle Frere's address—his didactic legacy to the Sirdars—is to be found in his remonstrances, or rather pleadings with them in reference to the great social reform they have yet to commence—the education of their wives and daughters, and their liberation from domestic bondage. This great advance will take long to accomplish; the advantage of it is probably not recognised by half a dozen of the Sirdars themselves; hence the necessity for His Excellency to set the matter so plainly before them. He appealed to their pride of class, and pointed to the fact that the first aristocracies of the world have kept their relative position mainly in virtue of their superior elevation of character gained by their women being zealously trained to a social and intellectual companionship with themselves. . . . . .

All this, notwithstanding the Governor's good Marathi and carefully emphasised sentences, was, no doubt, a great mystery to the mofussil squires; but it is a proof of Sir Bartle Frere's earnestness in the matter that he should have taken so much pains in making the strange subject so plain to them. He leaves this work of solid renovation as a charge to the few educated members of the class, whom he besought to press on the attention of their "untravelled and unlettered brethren"—"how among the nations which now bear rule in every part of the earth, there is no instance of a class of nobles retaining its position without being superior in intelligence and education to the mass of the people; nor any instance of an educated nobility, the ladies of which were allowed to remain uneducated."

We doubt not, in thus so strenuously urging efforts towards the elevation of the women of India, Sir Bartle was speaking as much for Lady Frere as for himself.—*Nov.* 2, 1866.

HIS SHORTCOMINGS AS A GOVERNOR.

THE *Daily News*, in commenting on the address of Sir Bartle Frere to the Sirdars of the Deccan, has done so with more judgment than some other of the English papers. In eulogising His Excellency it was quite needful to remember that "no doubt there are and ever have been many Indian servants fully equal to the present Governor of Bombay. It is not so much the merits of the man—although these are certainly above the average—as the fitness of the official training he must have received that has to be

pointed out. Very different are Governors of this class to those who formerly claimed these appointments as almost a traditional right of their order." . . . If, however, the *Daily News*, judging only by the remarkably suitable and often excellent speeches delivered by Sir Bartle Frere, wishes to credit him with the possession of those stronger qualities of practical statesmanship that are needed in a Viceroy, then a grave mistake may be made. Public addresses are in these days, especially in India, an essential part of a statesman's work; and any man pretending to that title must be ready on every suitable occasion to describe in popular language even difficult questions of State policy. This Sir Bartle Frere can do particularly well, so far as the matter of his speeches goes; but, after all, though his addresses go to the end of the earth, they only give an outward presentment of His Excellency. As to the practical administration of high executive posts, we are far better able in India to judge of a Governor's fitness. It may be granted that Sir Bartle Frere's rule has not been characterised by any gross and palpable blunders. Yet no Indian ruler can afford to be passive. The conditions of government here are quite different from those at home. The *laissez faire* principle, which is very properly accepted as an axiom in England, is a misleading notion if applied to Indian affairs. Probably, so far as theory goes, this may explain some of our present Governor's short-comings. Western India has been inundated with a flood of wealth; and yet it appears to be subsiding without having left any definitely economised results behind it.

The heterogeneous society here, with little business training, with nothing like the perfect monetary machinery of Europe, without any but the most hastily organised associations, has been allowed to struggle as it could with this unmanageable influx of capital; nothing, comparatively speaking, being left to show for the effects of the fertilising flood. Common country roads, the lowest form of permanent improvement, have made no appreciable progress in this Presidency. Irrigation, for which many portions of Western India thirst almost as much as famine-stricken Bengal, is still to be begun. True it is, that Sir Bartle Frere, amongst the rest, did many weary months ago pen a noble State-paper on this subject; but nothing we have heard of is at present likely to come of that fine writing. Then, again, we have our Municipality started with a new constitution; but it is bound hand and foot with liabilities which our Governor not only does nothing to remove, but appears to have done a good deal to increase. Of course, he is the last man to do such a thing directly and of purpose; but here it is we have revealed that pliability and weakness of official character, of which the *Daily News* writer could know nothing, but which causes the juxtaposition of Sir Bartle Frere's name and the Governor-Generalship to appear incongruous. It excites also a feeling of deep regret as one glances over what might be done, if only the abstract and didactic statesmanship of Sir Bartle Frere could be crystallised into practical work. It is not only that His Excellency's own views are not acted out, but the misfortune is that the real outcome is something very different from the spoken promise of his State papers and speeches. The incapacitating besetment of Sir Bartle Frere has been—especially during recent times—that he has allowed himself to be swayed by personal influences, and by opinions of practical matters emanating from minds far less comprehensive and judicious than his own. Though cherishing the deepest respect for His Excellency, we have had frequent occasion to point out where the action of his Government has been utterly at variance with his own acknowledged policy, and differing *toto cœlo* from the temper of his own better mind. If this be so in the comparatively restricted circle of a presidency, such a besetting habit of deference to individuals who by chance happened to gain his attention, would expose a Viceroy to the most perilous courses. If on this barren stage a few astute, determined, or wily men have been able to impress their personal views on Sir Bartle Frere in his executive action, what would become of his wisdom and judgment if he fell into the hands of the ambitious and skilled politicians of Bengal, or those of the hereditary obstructives of Calcutta? To take one instance, what would become of the real Sir Bartle Frere if once subjected to the manipulation of a plausible and restless official like the Hon. Mr. Ashley Eden? Some one recently, in a sentence of fulsome flattery, spoke of Sir Bartle Frere as "a statesman of plastic mind." It is good, indeed, for unripened and inexperienced men to preserve "a plastic mind," and to take heed that their opinions "do not become set;" but Sir Bartle Frere is rich in the industriously gathered experience of thirty-five years' service. The great misfortune for India is,

that with all his wisdom he has proved himself of too "plastic" a mind ever to become her supreme ruler. Indian policy in its transition stage needs a firmer and stronger man.—*Nov.* 13, 1865.

AN UNOBTRUSIVE SERVANT OF THE STATE.

NOTHING teaches so effectually as character and example, and nowhere does the continuous influence of a life-time of earnest work tell with more certainty on contemporaries than in the Indian Services. Here no man can be hidden, as in a crowd, for if he have any force of character at all, his career and influence are known from first to last. This is conspicuously the case with those who may have distanced their contemporaries and seized some of the prizes which are offered in Indian service. The effectual influence of character to which we allude is not, however, confined to men of demonstrative temperament and manner, but is often exercised—in India far more than in the crowded societies of Western Europe—by those who, though unobtrusive and retiring to a fault, are often men of solid attainments, deep sympathies, and comprehensive knowledge. Men of this class instinctively shun the beaten track of popularity; it would be a martyrdom to them to be toasted at public dinners and besieged with complimentary addresses and ostentatious deputations, amongst which are so often seen those who, while "they come to praise, come that they may themselves be praised." But it is a pleasing trait of Indian society that the men of whom we speak are sure of the only reward they care for—the consciousness that any goodness which may have dwelt in them and whatever they have done worthily is fully appreciated. The simplest outward recognition of this is honour enough for them, as, for instance, an address like the one which we observe is being presented by the native community of Bombay to the Hon. Claudius James Erskine, who, we need scarcely add, belongs to that invaluable class which we have endeavoured to describe.

Mr. Erskine's hereditary connection with Bombay—as the son of a distinguished scholar and linguist of this city, and as the grandson of Sir James Mackintosh—is sufficient of itself to claim for him some special notice on his final departure from India; but it is also well known to those who are familiar with Mr. Erskine's career, that he has well earned an excellent name for himself. Mr. Erskine arrived in Bombay on October 10, 1840, and allowing for two furloughs to England, has been resident in India for nearly twenty-five years. . . . . .

Owing to the *purdah* system under which all the higher departments of our Executive Government are carried on—and to a great extent necessarily so—we cannot, if we would, discuss the course followed by Mr. Erskine since taking his seat as a member of Council here. Some of the more important labours of the Executive Government are carried on hidden from the general public, and the connection between the workman and his work is seldom apparent until long after the former has departed from these shores. It must be so in the case before us. Mr. Erskine has been only a short period in Council, but we have good reason to believe that the Government of Bombay will benefit largely from his work, and that for years to come. There are various exceedingly intricate questions which Mr. Erskine has finally disposed of, and many others which he leaves in a fair way to be settled. This has not been accomplished except by dint of untiring exertion on his part; and although he relinquishes his valuable appointment on the score of ill-health, he has, up to the eve of his retirement, worked from morning to night. But it is not so much a question of a foot or two more or less of actual work accomplished by men of this stamp, which constitutes the criterion of their value to the State: their worth is proved rather (though to those only who possess the requisite appreciative faculty) by the high sense of justice and fair consideration which these silent workers are often able to infuse into the administrative organism—a potent influence which will long linger behind Mr. Erskine's steps. We might hesitate to use direct eulogy in his presence, but this busy and noisy age needs examples like his; and this can do him no harm, for there is ever blended as a corrective in finely-strung natures a feeling of that keen responsibility which is inseparable from their unusual endowments. None know better than they, that—

"Fine spirits are not finely touched,
But to fine issues;"

and that, to whom much is given, from him is much required. We might say of Mr. Erskine's character that it presents nearly an exact antithesis of that "Philistinism which Mr. Matthew Arnold would have us believe is the normal type of the modern English nature—a phantasy which we shall protest against so long as there are extant men like the one before us, who recall the memory of many whose names live fresh and green in "our long island story," and of others known in the records and traditions of the Indian Services. We have already alluded to the peculiarly judicial cast of Mr. Erskine's mind, and this quality has, we believe, proved a very strong attraction to those educated and thoughtful natives who have fairly come in contact with him. That turn for exhaustive analysis which is a striking characteristic of his intellectual faculties, would alone suffice to fascinate them: but the quality that specially attracts them lies deeper still. However deficient in strength and force of character we may consider the people of this country, we must admit that when emancipated from prejudice by proper culture, they have a very fine innate perception of what is just and right. They have recognised in our departing Councillor a clear-eyed and unswerving devotion to this supreme principle. Does not their perception in this instance suggest a tangible hope that the cultivated English and native mind may gradually be brought to work together unfettered by any of the barbarisms and mere traditions of European legal systems? There is even already some ground to hope that the Bench and the Legislature may mutually act and re-act upon each other until there shall grow up a purely Indian system of jurisprudence second to none in the world, and it is towards some ultimate advance of this kind that the patient and enlightening influence of Mr. Erskine's judicial career will tell. The usual demand on a public man at the close of his career is that he, or some one on his behalf, should show some definite success that he has achieved. We have already intimated that Mr. Erskine is not to be judged by that superficial and exacting standard. His work has been of a very different, and, as will generally be admitted, of a more valuable and durable kind. In the Educational Department, on the Bench of the High Court, and at his desk as a member of the Executive Council, he has been laying foundations which we doubt not will prove firm and enduring beneath the work of other master-builders who, we feel sure, are ready to follow him. He may point to this work, or rather others may on his behalf, and say :—

"And whoso wills, is very free to mount
These labours as a platform, whence his own
May have a prosperous outset."

May 11, 1867.

EDWARD IRVINE HOWARD.

IT falls to our lot to record a shocking accident which, in causing the untimely death of Mr. Edward Irvine Howard, has cast a gloom over the city. The Judges of the High Court yesterday, participating to the full in the deep and general feeling of grief for the loss of the learned gentleman, at once acceded to the request of the Bar—expressed through the Advocate-General, the Hon. Mr. Bayley—that the Courts should be closed for the day as a public mark of esteem for their colleague, and an indication of their sorrow for his loss. Particulars of the accident by which Mr. Howard met with instantaneous death are so well known that we need not here dwell upon the circumstances by means of which, when in the full tide of life and thought, he passed in a moment from this state of existence into that world of silence and mystery from whence none return. It is one of those casual coincidences, on which people remark without any attempt at inference or deduction, that Mr. William Howard, the elder brother of the deceased gentleman, also met his death by accident. Mr. William Howard practised at the Bombay Bar for about twenty years, and of him it may be stated that he was a favourite pupil in chambers of Mr. Bethell, the late Lord Chancellor. Mr. W. Howard was leader of the Bombay Bar for several years, and at the time of his finally quitting the Bombay Bar, on July 11, 1856, he was acting Advocate-General for Mr. Le Messurier. On the occasion of his departure a substantial testimonial was presented to him by the Bar and the public. Some few years after his return to England he was killed, whilst hunting, by a fall from his horse.

Mr. E. I. Howard was a student of Lincoln College, Oxford, where he took second

class honours in classics, and obtained his degree of M.A. of that University. Like his brother William, he was also a pupil in chambers of Sir Richard Bethell, and was called to the bar on November 17, 1853. . . . . .

When we come to notice the accomplishments and social qualities of Mr. Howard, our remarks necessarily bear upon his personal and family history. He was the son of Mr. Henry Howard, R.A., as much distinguished for his talent as a painter as for his lectures on Art, and who attained a very great age, being upwards of ninety at his death. His wife was the daughter of another Academician, Mr. Reinagle; and thus Mr. Irvine Howard enjoyed a double hereditary taste and talent for the fine arts. As an amateur draughtsman he possessed very considerable talent, while his great taste for, and knowledge of, music were highly appreciated, and aided much in cementing the close social attachments that he formed. He had an extensive acquaintance in literary and artistic circles at home, and numbered amongst his personal friends the late John Leech. He contributed to the *Bombay Quarterly Review*, a publication which deservedly bore a very high character: and amongst his contributions to that periodical we may particularly refer to an article on "Thackeray's Novels" (first part, vol. I.), another on "Oxford" (published in the second part of the same volume), another on "Music" (in the second part of vol. II.), another on "Burton's Pilgrimage to El Medinah and Meccah" (second part, vol. IX.), and an essay on the subject of the "Exclusion of Religious Instruction from Government Schools in India" (published in the October number of 1857). These reviews were exceedingly well written, and the last mentioned one, which was written shortly after the writer had become Director of Public Instruction, is particularly valuable for its breadth of view and liberality of sentiment. In regard to another article, the review of Thackeray's novels, we have been informed that it afforded great satisfaction to that great writer himself, and that he said it showed a truer appreciation on the part of the critic of the writings it dealt with than did any other review of his works that he had seen.

One of Mr. Howard's chief characteristics was his remarkable facility and power of adapting himself to circumstances. This was shown in the readiness with which he again took to his briefs on his return to the Bar in 1865. His recent success in his own profession has been very great, and he had before him every prospect of a most lucrative practice so long as his mental vigour might have served him. His address in the Khojah case—which embodied the results of most extensive research, and in which he displayed a mastery over an intricate and difficult historical problem—is sufficient in itself to establish a reputation for forensic skill of a very high order. Mr. Howard's suavity of manner and courtesy to all classes are well known. It gives us sincere pleasure in this dark hour thus to testify to those estimable qualities and unusual talents which the deceased gentleman undoubtedly possessed. Though it was our duty to stand in very decided opposition to him during part of his public career, the memory of that had all but passed away. Several months ago Mr. Howard voluntarily relinquished the claim that he had maintained—no doubt, in all good faith; and it is some little satisfaction for us to remember that the last reference to him in these columns, though only a casual one, would not be unpleasing to him —indicating, as it was intended to, that no root of bitterness remained.—*Aug.* 31, 1866.

AN UNPOPULAR SECRETARY OF STATE.

SIR CHARLES WOOD has gone at last, and there is little need to attempt to give distinct words to the chorus of thankfulness which the mention of that event will evoke throughout the length and breadth of India. Every class in our varied society has its story of wrong or despite, suffered at the hand of the late autocrat of these realms. The Army, Local as well as Royal, and each particular corps, has its long-nursed grievance, in contriving which the hand of the late Secretary can be traced. Civilians of both branches, doctors, chaplains, interlopers, and "old Indians," Governors and municipalities, have each in their turn, and have often together, prayed to be delivered from Sir Charles, his despatches and "instructions;" and now they will draw a long breath of relief in thinking that at last they know the worst that can befall them. What can be the explanation of this intense and universal dislike of the man who from the centre of power has administered the Government of India? The late Secretary cannot

have been always wrong. In his dry, drudging sort of way he has given evidence of a plodding industry, by dint of which he has acquired as extensive an acquaintance with Indian affairs as is possible for a man trained in officialism, having naturally the smallest modicum of political capacity, destitute of imagination, and with the dimmest perception of moral principles as affecting the government of States. Sir Charles Wood has not been so incurably dense as Mr. Vernon Smith, nor so stupidly mischievous as Sir John C. Hobhouse, and yet he has earned a more indelible odium than they; and there follows him into retirement a far more vehement dislike. In fairness to the departing Secretary it is needful to discriminate a little the different elements which go to make up the retiring pension of aversion and indignation so freely awarded Sir Charles by the Indian public, and which will be punctually paid should he be spared even to a patriarchal longevity.

By far the largest portion of this animosity is due to the prominent part that Sir Charles Wood has taken in the revolutionising of the three Indian armies. He has in that been but the instrument of designers more determined and more capable than himself; but he has laboured at the ungracious task with that obstinate zeal and indifference to remonstrance which is peculiar to commonplace men when they devote their powers to working out the behests of others. To annihilate the independence of an extensive organisation like that of the Indian Army, knit together by hereditary ties and special historical associations, was in itself a design belonging to the domain of high politics; but the carrying of it out in detail demanded the help of an administrator characterised by an unusual deafness of intellect and fullest development of official obtuseness. Such an administrator the Amalgamation schemers found ready to their hand in Sir Charles Wood, and he must make the best of their private approbation in order to compensate himself for a public condemnation more severe and sustained than has followed any retiring servant of the State during the present generation. . . . . —*Feb.* 17, 1866.

His Successors.

There is indeed, nothing to be said against such a smoothly sailing professional politician as the young Earl de Grey and Ripon; but an estimate in matters of this kind, to be worth anything, must be comparative, and it is personally unjust to the young peer himself that Earl Russell should have placed him in an office a "world too wide" for his present growth of statesmanship. The choice bodes no good to the brightening prospects of the cause of the Indian Army; for, if we mistake not, the Earl, as Secretary at War, was considered too pliable to the pressure of the Horse Guards—a quarter from whence the Indian officers have nothing whatever to hope.

The appointment of Mr. Stansfeld as Under-Secretary somewhat balances the inadequacy of the new arrangement; though, oddly enough, the only public connection of Mr. Stansfeld with Indian affairs has been his chance association with Sir Charles Wood as Member for Halifax. Mr. Stansfeld was not, like his colleague, reared within the official circle, but has fought his way there by force of character and assiduous attention to public affairs. His short apprenticeship to official duty, as civil Lord of the Admiralty, sufficed to show that he had within him a capacity for work which might some day prove valuable to the public. Mr. Stansfeld will find scope enough for that in his new post; and if he is to be spokesman for Government in the Lower House on Indian affairs, he will have a task more arduous than any rising politician would willingly choose. Fortunately his "gift of articulate speech" is in contrast to that possessed by the late Secretary, and there is some hope that, under his lead, Indian debates will attract auditors rather than repel them.—*Feb.* 21, 1866.

LORD RIPON FOURTEEN YEARS LATER.

THE event of the week, not only for Bombay but all India, is the landing of the new Governor-General the Marquis of Ripon. Our daily contemporaries have elaborately described the scene at the Dockyard, and the procession round by the Statue of Her Majesty, and so on to the Malabar Point. . . . We will go a step—we dare not say how long a step—back in his Lordship's own history, and recall from the dim past a scene which affords striking contrast with that of last Tuesday under the *shamiana* and on the dais where his Lordship received his first Viceregal greetings. It was in a large

music-hall in the north of England; the occasion a greaf meeting to promote parliamentary reform; Cobden and Bright were there in their best manner of the graver tone; and the Mayor of the borough presided—a very bluff Englishman of the Philistinian order. It was in this vein he seized occasion, in his opening remarks, to astonish the modest, earnest Viscount Goderich—who, just then emerging from his "Christian Socialist" stage, was sitting by as one of the promised orators of the evening—by drawing the whole attention of the vast audience to his Lordship, with the exclamatory interrogation—"Ah! what will that young man do?" We do not remember that there was any response to this uncouth introduction, except, perhaps, in thundering applause. But we do remember with what tact and reassuring encouragement Richard Cobden, in the course of his own speech, which was on the Ballot, turned the incident to account. He had described, in his clearest and deftest manner, the tripod and other appliances by which votes were then (and probably are now) taken in Oxford University in order to ensure secrecy, and with it independence and freedom of voting. Warming with his subject, he bethought him to respond to the blunt query of the Mayor; but, putting it as if in a finer language, he turned, in his genial manner, to the Viscount, and said, "I will tell you what I would do were I that young man: I would go through the length and breadth of England and say, 'Vote as they vote at Oxford; vote as they do at Oxford!'" And, though the "young man" did not literally adopt that suggestion, he has remained faithful to the more moderate, but firm and consistent order of liberal principles which he was then imbibing. And, after all, it would seem as if the blundering Mayor had in him somewhat of a "prophetic soul;" for who, of the most imaginative in that great audience, on glancing down the vista of duties and honours to which "that young man" might aspire, could have then dreamed that amongst the things he should "do" would be to accept the Governor-Generalship of India? But so it is; and the thin, young, aristocratic orator of the reform meeting, with the most moderate "imperial" on his chin, is now the broad-chested, bushy-bearded Viceroy of India.*—*June* 5, 1880.

II.—This morning Her Majesty's present representative in India has landed, for the second time, on the shores of Bombay Harbour. Since his first disembarkation in June last he has seen a good deal of India from the outside. His Excellency has had, in his recent tour through the Punjab and Sinde, some opportunity to free himself from the unreal and misleading impressions which pervade all the atmosphere of Simla life. He will now, in his week's stay amongst us, have fair occasion to acquire some of that vital suggestive knowledge of Western India and its people without which no Viceroy can develop into a true Governor-General. Here, in this little island, where the British-Indian power has been longest established and found its firmest base, His Excellency will most readily realise the truth that centralisation is a snare, and that diversity in unity, provincial autonomy, or federal self-reliance, are essential conditions in the success of Indian Empire.

It is scarcely needful to say that we fully sympathise with the encomiums that have been passed alike on the matter and manner of Lord Ripon's public utterances in the Punjab and Sinde. There is also substantial ground for these eulogies in so far that, all through his Lordship's speeches, may be traced the knowledge of Indian questions that he has acquired during long years of official life at home, several of which were in connection with the India Office itself. We dare say fresh evidence of this ripe experience of the administrative side of Indian questions will come out in the remarks that His Excellency may be making to the members of the Byculla Club whilst these lines are being printed. This is an excellent thing in a new Governor-General; but regarding one side of Lord Ripon's idiosyncrasy we have our misgivings. His Lordship is too constantly in good humour. This is perfectly natural with him; and it may, at first sight, seem strange to regret the manifestations of geniality and hopefulness. But it is not this healthy, trustful cheerfulness that we view with apprehension. It is that *optimism* as regards India and its affairs, which is so often allied with these attractive personal qualities, that we deprecate—nay, dread.

We would not have urged the Byculla Club to adopt some modern device, which might easily be hit upon, comparable to that ghostly if not ghastly expedient adopted by

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* This Extract is from the *Bombay Review*.

the ancient Egyptians on their festive occasions: but a word of warning will not be thrown away on his Lordship. As with many empires and households, India has its "skeleton in the closet"—whence, indeed, the bony form has emerged with dread effect more than once during the last few years—and it is good that our optimist Viceroy should be reminded of the silent witness that "hath no speculation in his eyes." *—*Nov.* 27, 1880.

ABYSSINIAN WAR—ITS ORIGIN.

IT is well known that during several months past the British Foreign Office has been either outwitted or defied by his Abyssinian Majesty that most Christian King Theodorus. Since February of last year our Consul of Massowah, Captain Cameron, has been held in durance at, or near, the Abyssinian capital. And his case is not a solitary one; there are some other Englishmen as well as Germans, principally missionaries, who are also in confinement. . . . . .

Judging from the information before us, it seems that the whole of this Abyssinian negotiation has been mismanaged—has been a blunder *ab initio*. It is evident that the Foreign Office has been misled, and the public in England have been mystified, with regard to King Theodorus and the proper method by which he may be induced to release Captain Cameron and the other European captives. The King, albeit of European name, and professor of a faith tinged with Christian theology, is a monarch of savage race, and has somewhat barbaric notions of diplomacy. Those European Powers who hitherto have desired to communicate with him have adapted their plans to his notions of what is the correct code of Court etiquette. For instance, Theodorus has an unsophisticated appreciation of useful presents. Treasures of ivory, cattle, and slaves he has in such abundance that he esteems them very lightly, but silks, bright cloths, and cutlery he regards as above all the riches of Ethiopia. Acting on this knowledge, those Europeans who seek any favours from the Abyssinian usurper have generally provided themselves with a persuasive supply of the showy tissues or useful hardware of their own countries. His Majesty, when thus conciliated, has usually, like a man of business, at once intimated his consent or objection to the requests that have been made to him. Again, Theodorus entertains a somewhat barbaric contempt for mere epistolary communication. When the French or Germans have approached the Abyssinian throne—whatever that regal seat may consist of—they have selected from their own people one as high in station as could be obtained for such an unusual mission. Properly accredited, these European gentlemen have presented themselves in person at the Court of Gondar. In this case our Foreign Office has utterly disregarded the prejudices entertained by King Theodorus with regard to the personal status of those who are officially sent to seek favours from him. Mr. Rassam, formerly a Mahomedan, is now a Christian, but it is very unlikely that this change of religious views brings him much nearer to that type of Christianity which satisfies the Abyssinians; and, moreover, Mr. Rassam is not of European race at all, but is a Chaldean. Though not possessing much general linguistic knowledge, Mr. Rassam has a good command of Arabic which has enabled him to perform good service in certain subordinate negotiations; but that tongue is of no service in communicating with the King Theodorus. The "Special Commissioner" also retains many of his Mahomedan habits of thought, and is well versed in the diplomatic artifices needful in dealing with Arab Sheiks. Yet all these Semitic accomplishments go for nothing with a genuine descendant of Ham, especially one of such marked individuality as that of King Theodorus. With his African notions, he feels half justified in detaining our Consul, seeing that the Queen of England has not been able to find an Englishman to carry her letter.

Then, as to the financial style in which the negotiations have been conducted, there is room for remark. Mr. Rassam, although enjoying a good round salary so long as he keeps the mission in hand, may, for aught we know, feel hampered as to funds for the public purposes of his mission. He has apparently been chaffering in the cheapest Soumali market for his messengers, instead of offering a good round sum to the first man who should bring down to the coast an invitation from the King. One cannnot be

* This Extract is from the *Bombay Review*.

surprised that Theodorus fails to appreciate such misplaced economy. If he felt insulted on first hearing that the English had sent an Asiatic envoy, he would probably express his disgust in summary royal fashion at the sorry sight that would be presented by some of Mr. Rassam's woolly-headed heralds. King Theodorus is fully aware of the liberal fashion in which the English conduct their diplomatic affairs, and when he hears of the higgling of our "Special Commissioner" in his attempts to gain an audience, he will naturally conclude that the English Government are quite indifferent about the detention of Captain Cameron. . . . . .

It must be admitted that linguists are scarce amongst English gentlemen; but there was at least one English officer who is not only quite familiar with the Abyssinian *patois*, but has also (or had) great personal influence with King Theodorus himself. Had such a man been selected for this mission, instead of a person likely to arouse the antipathy of the King, it is morally certain that Captain Cameron and his fellow prisoners could have long ere this been released and restored. Probably, if the gallant Captain were once fairly back at his consulate at Massowah, he would rest quietly for a year or two before again venturing to make light of the command of that "noble savage," King Theodorus.—*Feb.* 14, 1865.

THE ABYSSINIAN EXPEDITION, 1868.

ADMIRABLY does the Chief's General Order, of April 20, sum up the story of the Abyssinian campaign. That brief document will form the text for future historians, and when, in remote times, all details respecting our quarrel with the last King of Ethiopia shall have been excluded from the overcrowded page, Sir Robert Napier's terse but comprehensive little narrative will keep its place in the chronicles of our century, and in the records of the Indian and British armies. But for the purposes of the day we want all the details we can get, and the effect of the Chief's proclamation is vastly enhanced when all the surrounding circumstances, and the scene at which it was read, are taken into account. These are all fully described in the letter of the 21st from our Special Correspondent, and we must leave the General Order whilst we gather the threads of the continuous narrative, which, in our paper a week ago, was brought up to Easter Tuesday, or rather to the 16th, when the captives had all been received, Magdala had fallen, and the once dreaded Negus had been lain in the same grave with the Abuna, one of his distinguished victims. The letters before us open with another exciting scene, the demolition and retributive conflagration on Magdala, which, as the Chief says, "is now a scorched rock;" fitting monument at once of a merciless tyrant and British determination and sense of justice. Having thus obliterated every vestige of Theodore's defiant power, our countrymen in Abyssinia could well afford to turn their backs on the terrible or disgusting scenes they had unwillingly witnessed, and every reader's heart beats in response to the expression of their delight on turning their faces northwards and homewards.

Again, in these letters it is shown by what a narrow chance some serious trials and danger have been missed by our troops. The Transport Train was being strengthened and extended; but had the Force been required to move but a few marches towards the south-west, the casualties from sickness and exhaustion must have been very numerous, not to say alarming; and had it been needful to "sit down" before Magdala, nearly a month must have passed before adequate provision and shelter for the troops could have been conveyed across the Djedda and the Beshilo. In another way the delay would have been equally trying or disastrous. As will be observed, the Djedda had already risen considerably from the effects of the rain and hail storms, which are only precursors of the dreaded rainy season, when the Abyssinian soil is sodden, and every ravine is a valley of death. The Chief in his General Order makes due reference to the hardships endured, but, as every true soldier would have it, he does no more than that. Nevertheless, we who stay at home at ease should take some pains to realise in detail what is comprised in those privations of which the outline is given in the Order. Hunger and thirst, especially the latter, will wait neither for time nor tide, and when the exhausted soldier has arrived at the end of a march—it may be in cutting wind or in the torrid glare—and finds no water is to be obtained that night, the sensation of thirst becomes aggravated tenfold. . . . . .

Whilst we thus run over these circumstances in detail, before the most careless or cynical can forget them—and there are many more people besides the campaigners with whom "the remembrance of these privations will pass away quickly"—it must not be supposed that such strains could long have been endured; and we may fairly expect to hear that reaction will bring its penalty in sickness, if not mortality. This will be the case even under the present exhilarating feelings that must pervade every man of the Army; but how would it have been had Theodorus taken the captives off towards Godjam? A pursuit apparently interminable would have had to be entered upon, and that would have been attended not only with all the privations to which we have just referred, but, as the reaction would also have come after Theodore's escape, some of those privations must have been followed by deplorable consequences. . . . . .

The political results of the campaign are beginning to disclose themselves. We cannot draw much augury of good from the patronage that has been extended to the Wakshum Gobayze, and we feel no regret to learn that his Dejaz (or commander) has been beaten and captured by the Gallas. The Wakshum has, indeed, overcome Tesso Gobazye, who held sway in the west; and that is so far satisfactory, for, according to Dr. Beke, this Tesso is as great a rascal as the Wakshum is a coward. The only hope for any good coming from the latter must be looked for in connection with any help he may receive from his cousin Tiferri, who, having been long since locked up by Theodorus, is probably a somewhat capable man. This new man may do something to strengthen the Wakshum, whose weak and fitful character will stand him in poor stead when he has to confront an invasion of the Egyptians from the west. This may be regarded as inevitable, but if the Abyssinians of Lasta and Amhara alone were firmly united against these invaders—the Mussulman slave stealers from the Nile—they would be easily repelled; but with no better Abyssinian leader on the south-west than such "a feckless" one as the Wakshum, the result is very doubtful. If the younger Queen of the Gallas, and now "Duchess of Magdala," should make an alliance with the Egyptians, it would go hardly with all the plain country of western Abyssinia and the fertile portions round Lake Tsana; but, though the merciless Mussulmans will harry the land, we somehow think that the Abyssinians will be able to hold their own. Relieved of the recently destructive tyranny of Theodorus, the land will rapidly recover all the simpler elements of material prosperity, while the pounding that Theodorus has given to the feudal system will, perhaps for a generation to come—as did our wars of the Roses for ever afterwards—forbid the great chiefs from indulging in prolonged intestine wars. . . . The most hopeful item in the present dismal prospect of Abyssinian politics is that contained in the last paragraph of the letter. After all, the young son of Theodore is not to be subjected to the perils of an English climate, but is to come to the more salubrious and congenial region of Bombay, and here pass under the care of our learned and venerable citizen, the Rev. Dr. Wilson. The notion of an emperor for all Abyssinia must be regarded as a bygone dream; but it is very possible that in twelve or fourteen years—unless those pestilent Egyptians get the upper hand—the southern and western provinces of Amhara may be ready to welcome the heir-apparent of Theodorus, whose memory may then be associated more with traditions of kingly greatness than with recollections of his ruthless cruelty. From our correspondent speaking of the child, Dejaz Alnago, as the grandson of Oubie, the former Prince of Tigre, it is evident that the now widowed Queen of Theodorus must be the same as the once proud princess whose haughty mien towards and quarrel with the Negus were so graphically described by M. Lejean. One could desire that Sir R. Napier may be able to make some secure provision for the maintenance and protection of this now desolate lady: why should she not come to Bombay along with her boy? Even Sir John Lawrence, that stern guardian of the Indian revenues, would not object to the little bill for the maintenance and tendence of this forlorn but interesting guest.

We find it quite impossible to pass in review all the important matters referred to in our special correspondence. Some of it, however, belongs to the light literature of the campaign; as, for instance, the description of the "crowds of enthusiastic psalm-singers" and the capering clergy, one of whom beat his drum with "a vigour which indicated with unmistakable clearness the extent of their expectations"—of dollars. Then as to the revelations of the Abyssinian post-office, we fear those disclosures will long afford food for "chaff" at many a mess table. We regret not to have done justice—indeed, we

cannot—to the noble and yet simple proclamation by Sir Robert Napier. Those only can appreciate it who have long known the sincere, earnest, and generous character of the beloved Chief; while none can fully realise its significance but those who had the opportunity of hearing him converse on the possible perils and serious issues of the great enterprise whilst the earlier preparations were being made; or those again who at the St. Andrew's dinner heard him, in modest but trustful and courageous phrase, commit to Providence the issue of the Expedition, toward which he felt assured all concerned would give their best endeavours. And so has it been.—*May* 20, 1868.

II.—The tune of "marching home" has been played to some purpose by the Abyssinian Force, as shown by our correspondent's letters up to May 5, written at Ashangi. These letters also contain a complete sketch of the arrangements for the departure and embarkation of the whole Force, giving many particulars which may have still greater private than public interest. It will gratify every one in Bombay to find that His Excellency Sir Robert Napier will come here from Zoulla, instead of going to Europe at once. Bombay claims to have acquired a sort of proprietary interest in him; and seeing that the Presidency and its Government are also determined to get as large a share as possible in the credit and honour of the expedition, the Chief must come to Bombay to take his place as the central figure in the grand *tamasha*, which no doubt His Excellency Sir Seymour Fitzgerald has already devised. Unluckily, this festival will have to be under a roof of some sort, for as the *Feroze*, with Sir Robert and Staff, is not to leave Zoulla until June 4, we shall be under the full burst of the monsoon when that illustrious band shall arrive. Considerably before that time we shall have welcomed back again the 2nd and 18th Bombay Native Infantry, with some of the Marine Battalion; but the Naval Brigade we shall not see, as the *Octavia* goes to Trincomalee. As all the Bengal and Punjab regiments return by Bombay, there will be opportunity for comparing notes with other provincials of this great Empire; and, altogether, there is a prospect of much bustle in Bombay and its harbour during the coming monsoon. Nothing could be more complete and—to the wearied campaigners—more enticing than the "grand military picnic," which is to commence at Senafe, if not before, and to be supplied with "breakfasts, dinners, and teas," all the way down the passes—where every couple of men are to enjoy one whole mule between them; then, finally, have breakfast at Kumayloo, and dinner on board in the still waters of Annesley Bay.

This is a pleasant programme, but there is very much to be done and endured before Senafe is reached by the whole body of the force. The letters we have from Dildee and Latt contain accounts of worse difficulties than any which would be likely to come after, unless the sickness which was fairly laying hold of the followers should have rapidly increased since passing Ashangi. This is scarcely likely to have been the case; for improved diet, increased hospital accommodation, with more of Dr. Gordon's "medical comforts,"—which have surely turned up by this time—and the influences of a milder climate will tell even upon the weaker constitutions of the natives. The experience gained during this campaign should form a valuable contribution towards the settlement of that all but exhausted question, the expediency of employing native Indian troops in our colonies. The health of the European troops is still reported to be excellent, in spite of the privations and violent exertions they have gone through. We see no evidence to indicate that the superior health of the European troops in the ("legs-uppermost") table-land of Abyssinia, as compared with the condition of the natives, is attributable to essential superiority of constitution in the former. It is simply that the climate of these mountain regions is much better suited to the constitutions of northern Europeans than it is to the natives of tropical India. . . . . .

The description given in the despatch, of the descent into the valley from Dalanta and the ascent of the all but impregnable heights beyond, not only confirms the account already given in our columns, but tends to enhance one's admiration of the energy and endurance of the men, Indian as well as European, who overcame every obstacle so completely. It appears that the more careful writers at home who deprecated the Abyssinian expedition on a large scale, because of the physical impediments to be encountered, were tolerably correct in their description of those frowning heights and portentous ravines. They left out of their calculations what were to them the unknown quantities of a wise General's well-laid plans, and the capacities of a composite European

and Indian force—each branch of it dovetailing into the whole, and each single man doing his best towards the one great end.

Perhaps the most interesting portions of the despatch are those by which may be traced the agitation and changes of Theodore's mind. Until after the wonder-working display of the rocket battery, on the 10th, he appears to have retained much of his obstinate and half-fanatical belief in his kingly power and importance. Hence his absurd resentment on receiving—instead of, as he evidently hoped, a missive from the Queen—the Chief's letter demanding, for the last time, the surrender of the captives—and, for the first time, of himself. The despatch contains the important addition to our previous accounts of the passing to and fro of Mr. Flad and Lieutenant Prideaux between our camp and Magdala. They had come twice from Magdala into our camp as envoys, when they returned the second time with their lives in their hands; and, as is very evident from the despatch, leaving a terrible load of anxiety on the mind of the Chief. Then, late on the Saturday afternoon, it was that they met Mr. Mayer, almost at the gates of their prison, bearing the mandate or rather permission for their release. And still the anxieties of the Chief were not at an end, for Mrs. Flad and some other European captives "for whom," as Sir Robert says, "we were bound to take thought," were still within the tyrant's grip. Happily, reason and common sense were returning to Theodore's mind, and in his Sunday morning's letter he appears to have drifted as near towards a repentant frame of mind as his obdurate and murderous heart could permit. In this letter the proffered cattle are referred to; and it would seem as if Mr. Rassam's misunderstanding as to the Chief's acceptance of these gifts may have raised the unpleasant rumours to the disadvantage of the late envoy. But though Theodorus had done what he hoped would suffice for his own escape, his limit of concession had been reached. He would not surrender himself to the least chance of the fate to which he had consigned thousands, and as the Chief says: "His failure to submit himself, therefore, left no other course open to us but to proceed towards him as an enemy." The world knows the rest.—*May* 26, 1868.

NAPIER AND SIVAJEE—A HALTING PARALLEL.

THE other day we took occasion to comment on certain indications in the home press of a desire to depreciate the services performed by the Abyssinian Force. But there have also been writers who run to the opposite extreme. The eulogies which some of the home journals lavish upon Sir Robert Napier, and the force which he has led to victory, are so extravagant and fulsome that they are calculated rather to injure the General's reputation than add to its lustre. Nothing can be so provoking, to a man of sense and moderation like Sir Robert, as to be drenched with inconsiderate adulation, and to have his successful conduct of a very arduous expedition magnified into one of the most dazzling feats of arms that the world has ever seen. We have already endeavoured to show that we appreciate what he has done, in a reasonable sort of way, and have given full expression to the praise which is generally accorded to him among reflecting people. That he has performed a great achievement in the way of campaigning and organisation there can be no question; and so long as the Press confines itself to discriminating compliments, and a rational recognition of his services, we shall be only too glad to swell the chorus. But to sing pæans about the triumph of the British arms over a half-armed horde of semi-barbarous Abyssinians, to talk in a fervid strain of the devoted gallantry of our troops in storming an almost undefended stronghold, is nothing but nauseous brag, that is nearly as harmful as it is offensive. It is harmful, because it is liable to divert attention from the real merits of the achievement, and to blind the eyes of the public to the valuable lessons that may be learned from a calm and discreet criticism of it. The following paragraph, taken from the columns of a journal of high repute at home, will serve to illustrate the extravagance of that trick of adulation here complained of: "The long mountain march in which nothing was forgotten, nothing left to chance, was crowned *by one of the most daring and romantic feats of arms ever performed*, a feat which reads more like one of the exploits of the great founder of the Mahratta power than anything done by the General of a civilised army." This is, to say the least of it, very "tall talk." And what features of the campaign can have suggested its being likened to any of Sivajee's deeds of daring we are utterly at a loss to conceive. Whoever wrote this remarkable

paragraph must have a very hazy idea of the character of Sivajee's military operations. We hope that he did not mean to compare Sir Robert Napier with the famous Mahratta, nor the troops that he commanded to the plundering bands that swept over the Mogul territories.

It is difficult also to understand why the Abyssinian campaign reads more like the incursion of barbaric soldiery than "anything done by the General of a civilised army." It strikes us forcibly that any other than a civilised army would never have reached Magdala at all, that the secret of the success lay entirely in the fact of our expeditionary force being a highly-trained, perfectly-equipped, and carefully-organised army, and of its being led by a scientific and anything but barbaric General. Sivajee would have found it a more arduous undertaking to convey a body of ten thousand fighting men to Annesley Bay—to march it, with all its necessary *impedimenta*, through passes that were made practicable only by science, to move it forward four hundred miles over a country destitute of grain, and possessing nothing worth looting, to annihilate the whole of his enemy's host with a mere handful of men, to take his state fortress, and the tyrant himself, and get back again without the loss of half a company of infantry, either by sword or sickness—than he found it to overrun Guzerat, and plunder Surat. The concluding portion of the article is devoted to a panegyric on Sir Stafford Northcote, which is almost as astounding as the flattery showered upon Sir Robert Napier. The Indian Minister, it solemnly avers, has "earned his Viceroyalty" by the attitude he has assumed with respect to the Abyssinian war. No doubt we might have a worse man in Government House, Calcutta, and there is more than a chance that we shall have him there. But to say that he has earned that proud position through the success of the Abyssinian campaign, with which he has had nothing very particular to do, that we are aware of, is to go a little too far.

"Sir Stafford Northcote," the *Spectator* writes, "is not a great Minister, still less a great man. But the consequences of failure would have been visited upon his head; and to refuse him the credit of unexampled success, of a success which makes every Englishman feel more hopeful than he felt yesterday, is not to fight, but to swindle one's political enemies. The man has earned his Viceroyalty, and if there is a trace of decency left in Mr. Disraeli, if he can understand, ever so little, that service to England constitutes a greater claim than service to himself, Sir Stafford Northcote will be the next ruler of the Indian Empire."

That he may possibly be, but it is a strange moral to draw from the Abyssinian campaign. Had there been a reverse, instead of a success, no blame would have attached to Sir Stafford Northcote. He is about the last man that any one would have thought of sacrificing to public indignation. Sir Robert Napier's hands were left unfettered, a wide discretion was given him. The Government acted wisely in surrendering the whole management of the business to him, and for this act of wisdom Sir Stafford Northcote doubtless may claim a share of credit. But, as everything had been done by the authorities, both here and at home, that could be done in the way of placing at Sir Robert's disposal a splendid force, and everything that he required for its support; and as this unusual liberality was well known to the public, there can be little doubt that had Sir Robert succumbed to the difficulties of his task, *he* would have had to bear the brunt of the storm of odium that would have arisen. We suspect that the Whig Ministry that made the first false step in the matter, and really sowed the seeds of the whole of the subsequent mischief, would have come in for no small amount of the obloquy as well as the Ministry that gave the order for hostilities to be actually commenced. The latter would, of course, have been bitterly attacked, for success is the acknowledged measure of political ability.—*June* 13, 1868.

ABYSSINIA AND PRINCE KASA.

BOMBAY is not yet quite indifferent to the fate of Abyssinia, though the recollections of the Magdala Campaign are dying out from amongst us. The Intelligence Department of our Political Resident at Aden does not seem to be able to penetrate much beyond Mussowa, and hears nothing from the mountains of Adowa, or the valley of the Takazi. . . . . .

It thus plainly appears that Prince Kasa of Tigre is gradually gaining such general sway in Abyssinia as can be acquired by any chief in a country so wretchedly poor and

politically incohesive. This testimony, too, we may observe, is prejudiced; hence we do not believe a word more of those stories of cruelty and pillage—they may be warranted by what we know of the general character of the Abyssinians and their mode of making war. It is one of the small blots on the first-class and admirably-conducted magazine just quoted from, that its editor seems never to have forgiven the *quasi* recognition of Prince Kasa of Tigre by Sir Robert Napier. For our part, we think the British Commander might have gone even a little further towards providing the miserably disorganised country with some head to look up to. But as the Prince of Tigre managed to hold his own for a while—in spite of his rapacious neighbours, the Egyptians—he has since succeeded in obtaining the anointing under the authority of the Coptic Patriarch, by his Abuna, or Chief Bishop of the Abyssinian Church. He thus stands forward as the accredited head and king *de jure* of the country. That he might soon become so *de facto* is apparent even from the presumably one-sided narrative we have just quoted; but that chance is reduced very low by the assiduous efforts which the Egyptians are making to hem in and surround Abyssinia. In this they have, so far as the Red Sea littoral is concerned, an effective instrument in the sagacious Munzinger Bey, our C.B., whom we foolishly flung away after having proved his value and recognised his worth. We are so hide-bound by rules and regulations, and have so little inventiveness, that we do not know how to utilise a man of special ability when we catch him. Yet surprise is expressed at England losing her foreign influence.—*Oct.* 6, 1873.

A PARSEE PEABODY.

THE pecuniary liberality of Mr. Cowasjee Jehanghir Readymoney, C.S.I., seems inexhaustible. He now offers a donation of 10,000 rupees towards paying off such portion of the debts of the Municipality that may be considered as having been incurred for improvements of which the present generation will reap the chief advantage. This offer is, however, a conditional one. It is to stand good for three months, if within that period other public-spirited citizens will make up the amount to a total of five lakhs. Before estimating the probabilities of this liberal offer being met, we take occasion from it to give expression to an opinion we have long held in reference to the large assistance which, in future, may be looked for from individual beneficence in aid of municipal revenues and civic improvements. It is a large subject on which we can only briefly touch at present. In the West there have been many exceptional instances of this practice of modern public charity, for such it is in the fullest sense of the term; but bequests and donations in relief of local taxation and for purposes of material improvement, are not yet generally recognised as customary and suitable modes for the disposal of surplus wealth. Religious, educational, remedial, and alms-giving institutions receive constant accessions of funds; but very few wealthy persons have learned to imitate that practical benevolent thought for the bodies of the labouring classes which was manifested by the American merchant who built the Croton Aqueduct for the city of New York; and by Miss Burdett Coutts when, the other day, she constructed salubrious covered markets for the poorest classes of the honest poor of London. The unavoidably excessive cost of the modern system of civic conservancy, when carried out faithfully according to the best architectural and hygienic principles, presses with scarcely endurable weight upon all classes of rate-payers except the wealthiest. The difficulty cannot be evaded by resort to clumsy and inequitable methods of mediæval taxation, which, though "no one would feel them," combine the maximum of unfairness with the minimum of net result. If wealthy citizens begin to see that the cities wherein they have dwelt and got gain have, next to kith and kin, a close claim on their ever-accumulating profits, they will acquire the habit of giving in aid of water supply projects, drainage, or for the opening out of new streets, and constructing healthy habitations for the poor on other than commercial principles. As is found in connection with nearly every project of public benevolence that can be suggested, a basis for this modern form of civic charity may be found in the customs and traditions of this ancient country. In the *dhurmsalas* and *serais*, the tanks, wells, and bridges constructed by wealthy Hindoos and Mahomedans, whenever the land has had rest for a time, there is abundant precedent and usage, to which Mr. Cowasjee Jehanghir, with his ready adaptability to circumstances, desires to give a liberal and fit modern interpretation.

In the example he has set of willingness to contribute to general improvements with which the names of benefactors cannot be associated, and to relieve the overweighted rate-payers, who may never know to whom they are indebted, we trust to see the beginning of a wise modern usage, a policy of practical charity which may be gradually followed in all the large towns of India.—*June* 15, 1869.

A PARSEE PATRIOT—MR. DADABHOY NOWROJEE.

THERE can be no question that testimonials and hero-worship—or rather the weak echo of this in platitudinous adulation of pretentious men who have merely been more successful or prominent than their neighbours—have become, in many instances, a weariness of the flesh and spirit. We need, in these noisy days, more and more to cherish the example of England's or India's "forgotten worthies"—men who did their duty bravely, endured silently to the end, leaving their mark, though not their name, in their country's annals. And yet, as the wise man has told us, "there is a time for everything and for every purpose under the sun." There are men whom, if we can feel sure of not spoiling them, the community does itself good by publicly honouring; and there are times—very few indeed, we admit—when it is suitable and in the true sense profitable to emphasize a unanimous public sentiment by a substantial gift. The conditions which render the testimonial of a community sincere and suitable, and which make appropriate a gift of money for private use, given to a man while yet in the midst of active life, are, we think, to be found in the circumstances which have resulted in the presentation to Mr. Dadabhoy Nowrojee. The movement was, in the first instance, quite a private or social one. It has only within the last week or two assumed such a public character that we could comment upon it, and that we can do more freely now that the honoured citizen has left our shores. Whatever may be thought of the East India Association and the work it is likely to accomplish, all who cherish lively political sympathies must have been gratified in observing the great impulse that has been given to public spirit in this presidency since Mr. Dadabhoy commenced his recent series of exhortations. It is a distinctly national feeling that has been aroused; but never was patriotism more free from bitterness and mere antagonism. There has been no current event calculated to arouse these political aspirations. We can only refer it to certain peculiarly happy characteristics and facile ability in the chief promoter of this revival, that we have seen not only the Parsees but Hindoos of all castes—the poor compositor and the wealthy Shettiah, the presidency towns and the sleepy Mofussil, all uniting in responding to Mr. Dadabhoy's earnest but moderate and intelligent patriotic appeals. Political revivals are, usually, of far more permanent and general benefit to a community than those called religious. The discussion of public affairs, the stirring of the sentiment of patriotism, though often accompanied with much superfluous enthusiasm, has reflex effects in numberless directions, tending to the spread of knowledge, the discouragement of stolid selfishness, and gives new stimulus to every educational influence. If there be any who have looked askance on Mr. Dadabhoy's recent lectures and agitation because of their political character, we may remind them that there is very much in connection therewith in which the most conservative and timid can rejoice. It is not, however, only these, or all the valuable political services which Mr. Dadabhoy's popular qualities have enabled him to render to his countrymen, that have induced them to come forward so handsomely to do him honour. Young as he still is, the testimonial now presented is the acknowledgment of many years of steady, continuous service, including very much besides the political effort, which, though necessarily attracting more attention, may be of less permanent advantage to Bombay and its people than other work of which the address has revived the recollection. . . . . .

His very prominent exertions since the establishment of the East India Association—in the founding of which he afforded important assistance to the Indian officers' committee with whom it originated—are too well known to need enumeration here, though those exertions form the immediate occasion for the honours which he has just received from his fellow-citizens. It is not so generally known that in previous years, through the "London Indian Society"—which he established in conjunction with Mr. Mohun Tagore, of Calcutta, and Mr. Nowrojee Furdoonjee—Mr. Dadabhoy did important service in

promoting certain changes in the regulations affecting candidates for the Civil Service examinations, including an important modification of the system of marks for Sanscrit. He also fought hard against the capricious and unjust exclusion of certain successful native medical candidates. . . . . .

It would, as we have said, be unnecessary to give here any account of Mr. Dadabhoy's five papers, for which, with the discussions attendant on them, the East India Association, and through it the public, are under obligations to him. Those contributions add very much to the permanent value of the *Journal*, which, if it could be freely distributed at home, would do more than any other current publication to correct mistaken impressions about India, and to excite an intelligent and productive interest in our affairs, now shunned by many worthy men simply because they have no adequate means of information thereon. Mr. Dadabhoy is yet in his prime, and is still exposed to all the temptations, all the chances of error and mistake, that beset active public men. The reception of the honours just conferred upon him—sincere and hearty as is the feeling which prompt his friends and admirers—is a test of character, and entails on him new responsibilities, though only meant as an acknowledgment of past service. The sentiment of these donors of many races towards the man whom they regard as one of their national representatives, is similar to that expressed by Sir Robert Peel towards Lord Palmerston in the great Don Pacifico debate, when, though criticising the spirited Foreign Secretary's policy, he avowed —"We are all proud of him!" Knowing what we do of Mr. Dadabhoy, we cherish the belief that he will continue to justify the very general admiration and confidence of which this testimonial is the expression.—*July* 28, 1869.

THE HYDERABAD MINISTER.

THE unfounded report which cropped up a few weeks ago of an attempt on the life of Sir Salar Jung, to which we gave contradiction the other day, may serve as text for a few notes on the present position of that Minister and the administration of the Nizam's dominions. It is well understood that since the decease of his late master, Sir Salar Jung has been assured of hearty support from Mr. Saunders, the British Resident, in any reforms he (the Minister) desired to carry out, and also in the general conduct of the administration. It is too soon for any definite results of the earnest co-operation between two authorities to be reported upon, but there is sufficient general evidence of the opening of new paths for steady progress. Probably the public have cherished somewhat too high expectations as to what Sir Salar would do when, by an event wholly unexpected, he was freed from restraints which had crippled his power for good. The reputation which had gathered round his name had reference mainly to his tact and discretion—to the comparative success with which he controlled fierce and selfish rivalries in a kingdom the monarch of which took little active part in administration and whose character had probably deteriorated under the combined depressing influences of seclusion, self-indulgence, and political distrust, for which last there had been too much ground. During an eventful decade—for in 1857 Sir Salar had a prominent share in stemming the rising tide of Mussulman fanaticism in Southern India—he had sustained a peculiarly difficult part. His success in that is sufficient to entitle him to historical fame, without giving to the public the right to demand of him the highest administrative skill in ordinary circumstances. It is very likely that, in speaking of him as untrammelled, we may be unmindful, or, indeed, ignorant of the impediments which faction and selfish rivalry may be still putting forth to thwart the efforts of the Minister whose high position and well merited favour with the British authorities expose him as a mark for envy and systematic opposition. As will be remembered, it was rumoured soon after Sir Salar had entered on his "untrammelled" position that, because of the opposition and dislike shown towards him by some partisans in Hyderabad he had resolved to retire to his own people and his patrimony in the remoter provinces. Happily, this not unnatural inclination was overruled, and he still remains as the guardian of order, and the pilot of the great Mussulman kingdom of the Deccan.

Nevertheless, with the firm and disinterested support he now receives from the Paramount Power, it will be expected of him to live down any mere factious opposition—including that from the potent influence of bigotry—and in due time the public will

expect to see tangible results of his own policy. No more than any other public man can Sir Salar Jung rest on his past career. The world will judge him on his merits, as tested by new and, for him, more favourable circumstances. It is significant of the high reputation he has to sustain that the public are somewhat impatient to see the fruits of—as they suppose—plans long pondered, and measures slowly matured under clouds of heavy discouragement. There is no reason, that we are aware of, to doubt that these expectations will be fulfilled. . . . . .

With regard to public works, it is understood that the Minister, even under the Nizam, did all that he could with the resources at his command. The larger part of the funds available for developing the material resources of the Nizam's dominions, the "surplus revenues of the Berars," are needed for making the railways from Kulburga to Hyderabad, and from Khangaum to Jullum on the Nagpore line. These are for British objects rather than for the Nizam's; but if the lines are constructed economically, they will leave a profit that may go to the Hyderabad public funds. On the other hand, the Godavery navigation, made at a great expenditure of Imperial funds, if it answer at all, will be of immense service to the Nizam's territories from Sironcha downwards, in giving them their only outlet to the sea. As to the progress that has been made in smaller public works in the Nizamate, we cannot give any account. Some time ago, when noticing the Administration Reports of Travancore and Cochin, we queried, Why should there not be one issued from Hyderabad? Any impediment that formerly existed in the way of adopting this excellent method of comparing notes with other provinces, is now removed. Sir Salar Jung could make a fair show with public works and police; and we do not see why, in a year or two, he might not, under the heads Education and Justice, compare fairly with the two Native States on the Malabar Coast. The first two years or so, a Hyderabad Administration Report should partake much of the nature of a gazetteer; and by this means we might come to know very much more than we do at present of the resources of the Nizamate, and the openings it affords for profitable commercial intercourse.—*Sept.* 21, 1869.

A MILITARY POLITICIAN.

SIR WILLIAM MANSFIELD cannot complain that he is allowed to glide out of India unnoticed. Our own columns, as well as those of our contemporaries, have abounded with freely expressed opinions on the retiring Chief's Indian career, with criticisms on his share in civil administration, and the way in which he has performed the high military functions that he now turns over to Lord Napier. Though adverse and sometimes angry comment have in this gained the ascendant in the public voice, Sir William has not been without apologists. In one instance, that of our Umballa contemporary, he has been dismissed with an unequivocal vindication little short of eulogy. As to our Allahabad contemporary, though its articles having the late Chief for their subject are generally interesting, it has come to be regarded as such a partisan where he is concerned, and its views are so remarkably similar to those of Sir William Mansfield, that it does not serve us much in attempting to estimate how impartial public opinion regards that statesman or soldier. Were he to be judged simply as one or the other, we should have little difficulty in drawing our conclusions, and in casting the balance of the good or evil he has done the State. But if we have to set against the errors of the Commander-in-Chief the civil services which, by voluntary option, he has rendered in his place as one of the Executive Government of India, the net results of such process can scarcely be satisfactory. There cannot be a clear debit or credit on one side or the other. Neither as statesman nor military administrator can His Excellency claim to have silenced criticism—we write before his grand and final effort under the former character—and any painstaking judgment that aims to review Sir William Mansfield's Indian service as a whole must comprise many opposed and some doubtful decisions. It is impossible that we should attempt any such review; here we can but notice, on the "irregular system," a few of the more vital questions raised, mainly by the apologists of Sir William Mansfield. . . . . .

Our Umballa correspondent, when he speaks of "the old, easy-going style of things of the Company's time," seems to be thinking only of the Bengal Army, which fell and

paid the penalty. It would be difficult to make out that there was any "easy-going style," any proud flesh or fatty degeneration in either the Bombay or Madras Armies, that could be remedied by the double-distilled acetic acid which, speaking chemically, was the principal contribution brought by the Chief of the period to the work of amalgamation in Bombay. But, says the *Pioneer*, Sir William Mansfield was "not one of those" who framed the present disorganisation of the Indian Army. Perhaps not, in the sense in which certain Indian officers—unfaithful to their brethren and their colours—yielded their practised fingers and departmental brains to the service of the courtly schemers of the Horse Guards; but the work did not end with that combination. Sharp cutting tools, pitiless operators, and subservient agents were urgently needed in carrying out the vivisection, and promoting the "painless demise" of the Indian Army—especially of its tough and sturdy vanguard in Bombay—and all these essentials were united in Sir William Mansfield. If the State were to be saved, if the military *régime* of India were to be regenerated by the rough, merciless, and undiscriminating course to which the Bombay Chief of seven years ago lent himself with such keen delight, the spirit displayed by him might be merely dismissed as a personal trait of bad taste. And, perhaps, at that time Sir William Mansfield—though with Sir James Outram's minute staring him in the face—might honestly believe that to destroy the autonomy of the Indian Army, and to root up everything from its organisation that was special to this country, was wise as a military measure. If he did believe so, then it says little for his judgment as a military man; but he can have no excuse for persisting in that opinion now, though at Calcutta a month ago, with his accustomed hardihood, he virtually defended all the ruinous measures which have left Indian military organisation in the costly and inefficient condition of to-day. In this Sir William is more consistent than his apologists; for, in spite of the *Pioneer's* disclaimer, he is inseparably linked with the amalgamation revolution as one of its ardent abettors. . . . . .

He felt a professional difficulty in the prospect of having in China to receive orders from Sir Hope Grant in turn; so that, instead of field service, he elected to drive the ploughshare of amalgamation at Bombay, and qualify himself for a parliamentary career by disputatious practice in the Bombay Legislative Council. Matters of inspection, field parade and reviews, where brigade learns to work with and to camp with brigade, are pursuits to which a "soldierly chief" would have given far more attention than has the retiring one. He has worked administrative centralisation to death, but has done little or nothing to promote military *solidarité* even in those few divisions where extensive field manœuvres are practicable, and the climate renders them advisable. Perhaps we should not blame Sir William solely for all that he has done in the way of exaggerating the functions of his office, and in superseding the judgment and annihilating the discretion of all the military hierarchy beneath him. Centralisation and subserviency are characteristic of the Horse Guards *régime*, but they have flourished luxuriantly under the retiring Chief's influence, while not a single defender (save the *Pioneer*) is found on behalf of Sir William's characteristic edict destroying the discretional power of commanders of native regiments. . . . . .

Several of Sir William's papers on financial subjects, on the Central Asian question, on decentralisation, and on many subordinate topics of general administration, would, if they could be published, serve to throw much light on the esoteric aspects of Indian polity; but there is little to show for all this activity beyond his own special function. Sir R. Temple generously remarked last year that "if India, by the means now adopted, shall enjoy the benefit of a gold currency, that will be largely owing to the exertions of His Excellency." But the means then adopted have not sufficed to attain the end. "The exertions of His Excellency," notwithstanding his clear and excellent minute, have been barren, and he leaves India without having made the one resolute step further which would have given us a legal tender gold coin. In many of Sir William Mansfield's public legislative efforts, we see him betrayed by the foible of intellectual arrogance, and his keen logical faculty is often observed in alliance with an invincible unreasonableness. We see that in his mischievous opposition to the Bombay "Wagering Bill" in 1864, and in his recent alliance with the fanatical opponents of the Punjab Tenancy Act. Though as a debater he was equal to any in either Council, and superior to all but one member, he could make no permanent impression, because his intellect had no hold on the soil, his spirit was not in harmony with the country. Seldom has such wholesale

mischief been done in commercial affairs by the passing or withholding of any legislative measure as that inflicted on Bombay by the delay which held back the Time Bargains Act until the fatal July 1, 1865, when the *bouleversement* of our community was effected. To Sir William Mansfield's brilliant debating qualities that disastrous delay is mainly attributable, though had the then President of the Council possessed firmness equal to that of the present one, Sir William would have been overruled and outvoted, if not refuted, and the city would have escaped interminable litigations and embarrassment. Sir William Mansfield has pursued success, and has had a splendid reward; but he leaves India full of vigour, and probably with unquenched ambition. Notwithstanding the shortcomings and mistakes of his military administration, and the grave defects of character attributed to him as a public man, there is in the British State ample scope for his energy and skill; so that we may expect to hear much more of him yet, and there is time for him to redeem some of the harsh but just judgments which, for the present, he must bear.—*April* 1, 1870.

A PROMISING CAREER CUT SHORT.

UNCERTAINTY and eager disbelief as to the decease of Mr. J. W. S. Wyllie prevailed so long after receipt of the telegram which was intended to inform us of the event, that, on seeing its full and formal announcement in the obituary of the *Times*—on the very day this incoming mail left London—the Indian public must feel a renewal of the profound regret caused by the first intelligence of that young Civilian's death. He died at Paris, on the 16th ult., at the early age of thirty-five. The sudden termination of a public career as encouraging as it has been short, the abrupt removal of an accomplished man in the prime of life and on the threshold of a new arena of public usefulness where all was promising before him, cannot fail, with many, to recall some oft-quoted line or other of the inimitable ode—

> "But the fair guerdon when we hope to find,
> And think to burst out into sudden blaze,
> Comes the blind Fury with the abhorred shears
> And slits the thin-spun life—'But not the praise.'"

Mr. Wyllie entered the Bombay Civil Service by open competition, his name appearing, we believe, in the first list of successful competitors. After only a few years' service in this Presidency, including employment for a short time as Assistant Collector in Guzerat, and afterwards as an Assistant to the Political Agent in Kattywar, where his character received some impress from that of the revered Kinloch Forbes, he was transferred with certain other junior civilians to Bengal. His special merits were soon recognised by the Government of India; and his distinguished services as Under-Secretary in the Foreign Department were, after his retirement from the Service, acknowledged by his nomination to a Companionship of the Star of India. This honour, though its recipient was a "junior," was grudged by none, but was felt rather to be a compliment to the whole Service. . . . One of our correspondents at home writes: "Men generally interested in India, and capable of expressing their opinions in such a manner as to secure an European audience, are not so numerous that you can afford to lose them in the prime of their lives. We all of us here look upon the death of Mr. Wyllie as a heavy loss to India. He had done much, for one so young, but the men who know best say that it was little in comparison to what he would have done had he been permitted to remain longer amongst us." . . . . . .

Certain references in the letterto the ambition of the late M.P. for Hereford, though not intended in any disparaging sense, are a little likely to mislead. It may not be generally known, but such is the fact, that Mr. Wyllie retired from the Service on medical certificate and sick pension, and, as the event has proved, with too much occasion. It was hoped that his ailments, which were directly caused by the Indian climate, would gradually be removed by residence in England, and probably no one felt more confident of this than he did himself. Hence he deliberately chose a new career of exertion and activity which has proved beyond his strength. India had broken the stamen of his constitution.—*April*, 1870.

PRINCE ALFRED'S INDIAN TOUR.

THE letter from the Duke of Edinburgh, read by Lord Mayo the other night at the Lahore banquet, testifies very remarkably to the skill and ease with which a certain Madras writer recently simulated the royal epistolary style. And the similarity between the fictitious and the genuine Prince Alfred letters is deeper than mere style. The Madras one was so far fair and correctly conceived that—apart from the chaff, banter, and quiet satire which formed its *raison d'etrê*—it indicated the good nature, the simple directness, and the plain common sense which characterise every paragraph of the real and familiar epistle dated on board the *Galatea*. That the Sailor Prince's lines should comprise a few slips in composition from which the professional writer's column was free, only serves as a stamp of the genuine and natural character of the letter which appeared in our paper yesterday. Indeed, amidst our income-tax tribulations, we owe thanks to the Duke for his involuntary pleasantry in warning us that he does *not* think we are "in a fair way to successfully surmount our financial difficulties," when he only meant to express the hope that his tour has had no appreciable share in adding to them. This is, no doubt, the plain truth of the matter; though the tribulations already alluded to induce many, besides the illiterate masses, to speak as if the Prince's visit and the Temple budget stood in the relation of cause and effect. It will be much to be regretted if the irritation at present universal should interfere with the due appreciation of the Duke's simple, but intelligent and, evidently, sincerely expressed review of his Indian tour. When he tells the people of India that he "had coveted for years the honour of being the first member of the Royal Family to visit India," we do not see but that this is at least a little more worthy of credence than certain colonists' tales which some persons accepted as evidence to show that the Prince was not worthy of coming to India at all. At that time we ventured to suggest that whatever youthful errors might be debitable to the account of the Captain of the *Galatea*, no moral regimen was so likely to give him a fresh and healthy start in the noble career that lies within his reach as a tour through India under favourable auspices. And this letter to the people of India—making all allowance for possible suggestions from some riper mind—bears unmistakable proof that the moral and political influences of this splendid heritage have reached the heart, as they can scarcely fail hereafter to enlarge the mind and elevate the character of the young Prince. . . . . .

As to the debit side of the account, the serious political evils which some have imagined as likely to follow from this royal promenade, we must confess ourselves unable to apprehend them. When we hear that some chief with a grievance seeks to retain Prince Alfred as his agent to treat with "the Crown" at home, we shall begin to think that there may be something in the far-fetched idea that the Duke's visit "has rendered the government of India in India more difficult than ever." Amidst all the columns of reports it has been our fate to peruse, we do not remember a single instance in which the Prince received even a simple petition, or that he, in the slightest matter, laid his "uncovenanted" hand upon the ark of Indian Executive Government. Administration must be as fragile as a sensitive plant if anything the Duke has done or said, or all his active influence put together, could paralyze a single fibre of that function. Prince Alfred's visit certainly occupied a good deal of Lord Mayo's time, and probably interrupted a good deal of Secretariat drudgery. It staved off for a while the impending financial discussion. It cost the State a few lakhs—perhaps not more than the Asiatic Bank "conveyed" from a certain twenty-five—and it entailed rather heavy incidental private expenses on a few prominent officials. Possibly the Duke's tour, as with all commotions, was the incidental cause of less or more of private bickerings, envy, and uncharitableness. But let all these be cast up together, and we venture to say that those who can, for a moment, compare this little obelisk of petty evils with the pyramid of political advantages accruing from the visit of a son of the Empress of Ind, must either be deficient in the faculty which estimates proportion, or they must have put it under sequestration until this income-tax visitation be overpast.—*May* 13, 1870.

DONALD MACLEOD.

THE Viceroy spoke a word in season at Lahore the other day when, amidst the rapturous fraternisation of the Punjabees gathered round their revered chief, he admonished all fellow-workers in India to eschew "provincialism." It might not unfairly expose us to a suspicion of that weakness were we to forego the high pleasure of speeding on his way Sir Donald Macleod, "the father of the Indian Civil Service." As it happens, we are a little tardy with our tribute of homage; but, though for more than twenty years Sir Donald has been denizen of a province a thousand miles distant from this modern gateway of India, his public character and long proved political and civic virtues are prized in Bombay as part of that heritage of noble, inspiring example, uniting what is best of old and new through all the land, which will, if sincerely accepted, serve to carry the Indian Services and people safely through all the difficulties incident to this transition period of our history. The speech of the departing ruler of Lahore has a deep retrospective interest, which can only be appreciated to the full by men like Lord Napier and other of his comrades in the early "forties," many of whom at home will read between and far beyond the suggestive lines of the Viceroy's narration and Sir Donald's full-hearted response. He is one of the few remaining links left to us between the bustling, perhaps over-confident, present, and that older time of anxiety and struggle which soon we shall be able to realise only by careful study of the historian's page. But it is of his personal character we were speaking, as that of a type of Indian officers which may soon become extinct under the pressure of modern customs and rapid communication with Europe. . . . . .

Napier of Magdala is not quite such an orator for a banquet as is the Napier of Merchistown; but the speech of the new Commander-in-Chief at Lahore was befitting the occasion, and admirably chimed in with the retrospective theme and the hopeful tone pervading those of Lord Mayo and Sir Donald Macleod. At some other time we may have occasion to remark on Lord Napier's sincere but palpably unsuccessful attempt to vindicate the new or "irregular" organisation of the Native Army. . . . . .

Having begun well, having studied the character of the people during his twelve years' political service in the Nerbudda Valley, having, through his association with that extraordinary man, Colonel Sleeman, become intimately acquainted with the thoughts and feelings of every caste and rank,

"——— he keeps the law
In calmness made, and sees what he foresaw."

He passed unscathed in spirit and heart through the great convulsion, his genial nature acquiring from that terrible experience only stronger faith in the might of goodness, and in the safety of political justice. In this faith he continues to the end, and sets it forth in the following passage—the latter portion of which, to twist the saying of a once-noted member for Cork, was doubtless "spoken in italics," as it so appears in the report: "Your Excellency has been pleased to give me credit for having laboured in the same sphere [employing the people in public duties], and it has certainly been my endeavour to do so, and I would earnestly urge upon all who may in future be connected with the administration of this province that my parting advice to them is *that they exert their energies to carry out the good work among a race so admirably fitted to appreciate their exertions.*" In this last remark may be discerned a clue to much of the success which has attended British rule in the land of the five rivers. . . . . .

More than in all those material causes, the root of that true and healthy popularity of British rule in the Punjab is to be found in the exercise of direct personal influence, which, from Sir Henry Lawrence—with, as Sir Donald remarked, "that generous tone and spirit which so eminently characterised his whole career,"—through Sir Robert Montgomery, and up to the latest hour of Sir Donald Macleod's sway in Lahore, has been brought to bear impartially on all the races of the Punjab. Knowing better than most around him the potency of this vital influence, Sir Donald might well express distrust of the possible estrangement and break of intercommunication that may result from the "complex systems" of law, of fiscal and municipal arrangements, and of revenue administration, which "time and progress" force us to adopt. But cannot there be an off-set to this tendency? We must have our subordinate judicial authorities taught to distinguish

between civil suits and criminal cases; but in aiming at this essential object it is surely not necessary to bewilder both magistracy and people with an endless complication of orders, rulings, and statutes, constantly amended. . . . . .

Those would take a very superficial estimate of Sir Donald Macleod's character and career who should attribute to mere benevolent feeling and amiability of disposition his unfaltering desire to teach and elevate the people of this country. His efforts in this direction are based on deep conviction, and are the result of varied and severely tested observation. In the following passage he rises to the level of those wise, far-seeing, and courageous politicians with whom his name will ever be associated:—

I pride myself on being one of those who believe that no culture or training will ever raise a nation to real excellence, fitting it to take its place as a nation amongst the more advanced nations of the world, except that which results from their taking a goodly part in the management of their own affairs—(hear, hear)—without which I believe mere intellectual culture, valuable as it may be in its way, will never lead to *complete* success. I believe myself that the British Government has laboured under no greater disadvantages than in this: that the almost necessary tendency of our rule here has been to set the bulk of people more or less aside, not from any desire to do so, but from the great difference between their constitution, their ideas and feelings, and our own.

The first of these sentences, more especially, contains the open secret of our future success as rulers of British India; and our security, satisfaction, and prosperity are bound up with the frank avowal and sincere adoption of the policy embodied in these last words from the "father of the Indian Civil Service." There are signs just now that some of our leaders are hesitating as to making good the few forward steps that were taken, under Lord Cranborne and Sir Stafford Northcote, in that true path of Imperial policy indicated in the passage we have just quoted.—*May* 20, 1870.

RETROSPECTS OF THE GREAT REVOLT.

IT is more than five years since the publication of Mr. Kaye's first volume of the "Sepoy War." Though necessarily long delayed, the second volume will be cordially welcomed in India. Amidst the absorbing interest roused amongst us by the great European conflict, this book serves to remind those whose lot is cast in this country, that it is here their duty lies, and that India also is the scene of great deeds in camp and battle-field. And after *Punch's* "Nice Couple" in Europe shall have shed enough blood, Mr. Kaye's History will be at hand to describe for us in India, why and how the Great Revolt spread and was suppressed—and that, too, almost before succour had arrived from Europe. This volume is emphatically a history, and, as described by the author, is "a volume of fact, not of controversy and speculation." The former one did raise many questions, both of policy and as to the interpretation of events which, in Mr. Kaye's view, led up to the possibility of a general rising. It also dealt with, and, as we think, conclusively established, the proposition—to put it with some reserve—that the Sepoy War was the result of, far more than, a mere military mutiny. The present volume does, indeed, treat almost exclusively "of military revolt and its suppression." It deals with events more or less certain and familiar to all, and in this fresh narration of which all must feel that intensive and undistracted interest aroused by poignant personal regret, alternating with national pride and admiration of heroic deeds. It will in no wise limit the universal acceptability of this second volume that—as is also congenial to the author's manner—it is largely concerned with tracing the course and great results arising out of the career of notable men—some of whom had always been looked to as towers of strength in possible times of difficulty; others of whom the fierce heat of the time brought to sudden ripeness.

But Mr. Kaye—so far as we have yet had opportunity to examine this volume—never forgets that he is expected to write as an historian. In proof of his quality in this respect, we think the first chapter of this volume may be referred to with confidence. The second sentence of that chapter (which has reference to the first outbreak of the mutinous spirit, the particulars of which were given at the close of the first volume) is: "But the great fact was patent to Lord Canning that the English had been driven out of Delhi, and that, for a time, in that great centre of Mahomedanism, the dynasty of the Mogul family was restored." Within a few pages we have sketched—with a clearness

perhaps for this purpose attainable by no other writer but Mr. Kaye—the history of the Mogul dynasty and our relations towards it up to the time, when, simultaneously with the intrigues of the Queen Zemut Mahal to promote the succession of her son, the proposals (mainly supported by the Board of Control) to withdraw the kingly dignity from the great Mogul after the death of Behandur Shah, had fairly taken form. Some review of that kind was needed in order to show "the tremendous political significance of the revolution" spoken of in the sentence we have quoted. It is in describing the discussion on this great question of political policy that we see exercised Mr. Kaye's clear perception of the relative weight of arguments, and the judgment of those recording them, as also his impartiality as an historian. Those who may have regarded him as holding a brief against Lord Dalhousie, should observe the exceeding fairness and high appreciation with which his Lordship is dealt with in connection with that then difficult problem. This chapter brings us to the posting of the so-called Persian proclamation in the Jumma Musjid at Delhi. . . . In the third chapter of the volume the interest deepens in intensity as Delhi becomes the scene. We see the Meerut mutineers received with welcome; the defence of the Main Guard and the Cashmere Gate; how gallantly Willoughby and his eight comrades defended the magazine, and blew it up over their own heads; then comes the flight of the English from the Delhi cantonment; the sacking of the *Delhi Gazette* and the Delhi Bank; and finally, the slaughter of the European prisoners—the first of the wholesale murders—in cold blood by pagan hands, which these volumes have to record. This volume necessarily travels over those paths of the great Mutiny story which have been most trodden by every writer on the subject. The difficulty of selection and rejection must have been most perplexing to the author: yet we think, if this be duly borne in mind, it will be admitted that Mr. Kaye has attained that which is, in these days, more than ever, "the last, the greatest art—the art to blot."—*Aug.* 30, 1870.

II.—We have at last the pleasure to give full public welcome to Mr. Kaye's second volume of his "History of the Sepoy War," and we trust that, although somewhat tardy, our recognition of the great value of the work will not be ungrateful, either to the author or to those who have been, or are likely to be, his readers. The story of the great rebellion, however told, must always possess an intense charm. No Englishman who reads the stirring narrative, so full of sadness and glory, of cruelty and courage, of despondency and triumph, of malignant passion and cool heroism, of the crumpling up and rebuilding of an Empire, can help feeling his pulses throb and his heart beat quicker as he reads. Nor, in the midst of his vexation at the astounding political blindness of some of the actors of his own race in this exciting drama, at the wilful and almost sublime stolidity of others, at the imbecility of a few, and the remorseless, retributive savagery of many, can he pause and reflect upon the conduct of his countrymen and countrywomen, as a whole, without experiencing an emotion of pride, and thanking God that, though it pleased Him for a while to cover us with tribulation, out of that tribulation came deeds of devotion, gallantry, and virtue which have shed everlasting lustre on the British name. The deeds speak for themselves. They require no setting of eloquence. The events which startled Europe in the summer of 1857 were all so pregnant with painful interest, so grand in their dire purport, that their barest recital must fascinate. When we say that this portion of Mr. Kaye's History, treating as it does of some of the most tragic and appalling episodes of our Indian days of terror, is written with considerable command of language and graphic power, in a style generally simple and perspicuous, marked here and there with passages of great pathos and solemnity, or bursts of enthusiasm, we say enough, we imagine, to imply that the subject has, in a literary point of view, been effectively handled, and that the book must be, even to those who do not care to probe below the suface of what it records, a most alluring volume. . . . . .

We have thus two distinct clusters of incidents—each with its crowning denouement. The one with its main current of action trending downwards from Peshawar to Delhi, its scene being the Punjab and the north of Oude, its chief actors Sir John Lawrence, Montgomery, Herbert Edwardes, Cotton, Neville Chamberlain, Nicholson, Corbett, Daly, Anson, Barnard. and Wilson; the other, the tide of relief flowing upwards from Calcutta by the Ganges to Cawnpore, and the heart of Oude, with its source in Lord Canning, and such names as Neill, Havelock, Carr, Tucker, Ponsonby, Gubbins, Olpherts, and Moore, with the martyrs of Cawnpore, to make its course illustrious.

With the assistance of a map, one can readily recognise the geographical individuality of these two groupings, and the mind, by studying each of them in turn, will have no difficulty in taking in the whole situation.

Mr. Kaye, in the volume now before us, adopts this mode of dealing with his subject, and traces the history of the rebellion, from the outbreak at Meerut in May, to the general position at the latter end of August, carrying the narrative, step by step, along the two distinct chains of episodes, to which we have referred. . . . In 1837, Behandur Shah, the King, under whose auspices the mutiny assumed the proportions of an attempt to resuscitate the faded supremacy of the Moguls, ascended the throne. Mr. Kaye describes him as "a quiet, inert man, fond of poetry—a poetaster himself—and not at all addicted by nature to political intrigue." But, unfortunately, he had a young wife, named Zeemut Mehal, who apparently could not exist without indulging in that dangerous pastime. This Queen had borne him a son, a child of his old age, and the desire of her heart was that this son, Jewan Bukht, should be recognised as heir to the throne, instead of the lawful heir-apparent, Prince Dara Bukht. In 1849, the latter died, and the succession legally fell to the next heir, Prince Fakir-odd-deen. Lord Dalhousie thought that he saw at this juncture a suitable opportunity for extinguishing the titular dignity of the Kings of Delhi, a measure which had been some time under discussion. He believed that the perpetuation of this mock sovereignty was a mischievous farce, and he thought that it would be easy and politic to wring from Fakir-odd-deen a renunciation of the kingly privileges of his ancestors as the prize of his recognition as successor of Behandur Shah by the British Government. The Governor-General's views were laid before the Court of Directors, and, after many severe conflicts of opinion, he won the day. Fakir-odd-deen was to be acknowledged as heir to the throne, on the proviso that he was to succeed to a princely instead of a kingly title, and that the humbled family should be removed from the old palace of Delhi to a residence in the Kootab. The King all this time protested against the nomination of Fakir-odd-deen, and pleaded for the boy, Jewan Bukht. Suddenly, in 1856, the obnoxious heir-apparent died, and there were strong suspicions that his death was not due to natural causes. Immediately Queen Zeemut Mehal's intrigues were redoubled, and another urgent application was made for the recognition of her son as successor. But again she was doomed to disappointment. Lord Canning was now Governor-General, and the claims of one of the surviving Royal Princes, Prince Mirza Korash, were preferred by him to those of the boy. The former was duly recognised as heir, on the conditions already prescribed. Thus had the house of Timour fallen to very low estate. Little by little its pretensions, or its legitimate privileges, as the scions of that house regarded them, had been curtailed. The practice of offering *nuzzurs* to its head by the Governor-General and Commander-in-Chief had been abolished. The Delhi coinage had been suppressed, and the Company's rupee made the current coin of the realm; all symbols of vassalage on the part even of native chiefs had been prohibited; and now the finishing stroke was to be inflicted, in the abolition of regal title, and the removal of the family from Delhi. We confess that we cannot go quite hand-in-hand with Mr. Kaye in his views with regard either to the morality or the expediency of the course pursued by the British Government in these dealings with the Kings of Delhi. The *nuzzur* practice was doubtless objectionable, and, as a money compensation on a liberal scale was given, there could be no solid grievance attaching to its cessation. But the policy of pulling down the last symbols of sovereignty, cherished as they were by the Royal family, and bound up with Mahomedan tradition, was decidedly questionable. . . . . .

From the hour that it was known that the successor of Behandur Shah had surrendered what was looked upon as the birthright of the Kings of Delhi, the lamentations in the palace were loud. The Queen inveighed bitterly against this last indignity, and forthwith, intrigue began to be busily hatched again. From certain evidence, which was produced at the King's trial in 1858, it is pretty clear that about the time when Sir Thomas Metcalfe conveyed to Prince Fakir-odd-deen the views of the British Government with regard to the conditions of his succession, great disgust was expressed thereat by the Royal adherents; communications of a mysterious nature commenced to pass between the Courts of Delhi and Persia; and an emissary, named Sidi Kambar, actually went on a mission from the former to the latter, soliciting the countenance, if not the military aid, of the Shah. Later on, when a harder bargain still was driven with Mirza Korash, and the distrust and resentment in the palace waxed hotter, intrigue came outside, and worked sedulously

in the streets and bazaars of Delhi. All over the city, the Mahomedans began to talk of something coming, and an indefinable uneasiness exhibited itself. . . . . —*Nov.* 3, 1870.

RAJAH OF KOLAPORE:

DIED AT FLORENCE.

THERE is mourning throughout Maharashtra, and in commercial Bombay there is much sorrow, for the untimely death, whilst on his way home through Italy, of the most promising young Prince in Western India. No information has yet been received as to the cause of this sudden decease. Letters dated six weeks since have been received from him, written while in excellent health and spirits. It is just over four years since, at Sir Bartle Frere's farewell Durbar with the Sirdars of the Deccan, that the young Rajah of Kolapore was invested with the *kilhat* of State, and took his seat on the right hand of His Excellency as the premier Sirdar and representative of Sivajee, the head of the Mahratta Confederacy. On that occasion Sir Bartle, in his admirable address, caught the spirit of the political and historical associations of the scene, using them with much felicity in urging the Chiefs to persevere in that course of good government and practical improvement which he gave them credit for having fairly entered upon. While little further progress could be hoped for from the elder generation he was addressing, there was good reason to believe that the seed might find good soil amongst their sons or nephews, and especially in the mind of the young Chief at his side. We will quote one passage from that address, which shows how the speaker used the Past as foundation for the New order to which the Old should give place: "You have an immense advantage over the upper classes in many other parts of India, in that you belong to the same race as the mass of your people, and that no impassable barrier separates you from the great body of those whom you rule and influence. You have a national history, and national as well as family traditions of ancient achievements. You have a copious and flexible language spoken alike by prince and peasant, and capable of any amount of improvement to adapt it to the wants of a civilised people." While the genuine national spirit permeating this address has never been lost sight of in the training of the young Rajah of Kolapore, due pains have been taken to assimilate thereto all Western culture that could be suitably imparted to him without anything like forcing his intellectual growth. So long since as 1866, we believe, the young Chief's tuition had commenced under the guidance of Captain W. West, latterly assisted by an able Parsee graduate. That officer has been his constant companion ever since, has attended him during his journey to England and tour in Scotland, and we expect to hear that he was with him at Florence when in that fair city the unexpected stroke of death overtook the travelled Rajah.

There are many special reasons why, on broad public grounds, this early removal of the Kolapore Rajah is to be deplored. Since the suppression of the revolt which took place about twenty years since in that State—at the close of which the forts were dismantled, and the native forces disbanded—the province has had constant repose, only temporarily broken during the Mutiny, and its prosperity has been progressive. The last Rajah died in 1865, and since that period the State has been administered with success by Colonel G. S. W. Anderson, the Resident. The State is out of debt, and its revenues are increasing. This position of affairs offered a most favourable field for testing the administrative abilities of a native prince, after his having received a varied and suitable training. Great things may be done for a while in a Native State by an efficient British officer, especially when coming after a period of misrule; but, at best, the system of administration is uncertain, costly, and artificial. If our work in this country is to stand, it must be by striking its roots into the soil, by its best lessons permeating the minds of the Mofussil populations; and this it can only do through their natural chiefs and kindred leaders. Everything gave promise that the young Rajah of Kolapore would do much to acclimatise in the Deccan the teaching of British administration and the lessons of Western culture. His career could scarcely have failed to embody the general principles so skilfully suggested in Sir Bartle Frere's valedictory address, from which we quoted above.

What is likely to be done in the important and critical affair of settling the succession, we are unable to surmise. The Rajah had two wives (one only betrothed), and had a

daughter born to him who died while quite an infant. The wife first betrothed is the daughter of the Nimbalkur, Chief of Phultan, and she is said to be fairly educated for her years, and of very pleasing manners. She is younger than the wife since married, who is daughter of the Jaghirdar Senaputtee. According to "Hindoo law and custom," the first espoused Ranee has all the right and duties of a full wife, and in her hands lies the power of adoption. This she can do; but both for her and the wife of somewhat riper years there remains only the prospect of life-long widowhood and seclusion. The law of succession being thus clear, the only difficulty will be in deciding on the selection of a suitable boy as heir. The former heir-presumptive, Chimma Sahib, died about a year since, while still under detention at Kurrachee; but we are not sure that a successor may not be found more nearly related to the deceased Chief than the two old Mahratta houses of Sattara and the dispossessed Nagpore Bhonslas. And it is to be feared that the local jealousies in Kolapore State against the other lines of Sivajee are so strong as to discourage a selection in that quarter, if the authorities concerned desired to look in that direction.

The area of the Kolapore territory—which formerly extended to the coast north of Vingorla—is over 3,000 square miles, and the population about three quarters of a million. The revenues are over ten lakhs, but of those fully four belong to the Jaghirdars within the boundaries of or adjoining the State.—*Dec.* 2, 1870.

A VETERAN POLITICAL.

ANOTHER of our veterans, Brigadier-General Lynch, K.L.S., leaves India to-morrow, for at least a time, possibly altogether. General Lynch's varied and invaluable services extend over a period of forty-four years. These services have been rendered not in India alone, but in all parts of Asia. He entered the service in February, 1827, and in 1829 we find him marching in command of a detachment of his regiment—the gallant 16th Native Infantry—at a few hours' notice, from Baroda, to repel an expected attack of Bheels on the Treasury at Kaira. A severe Guzerat fever drove him home in 1831; and we next trace him in October, 1833, riding with despatches, for the Ambassador at the Court of Persia, from Constantinople to Tabreez, a distance of fifteen hundred miles, which journey he performed in fifteen days—a feat equal to Sir F. Bond Head's rough ride across the Pampas. Shortly after his arrival in Persia, Futtee Alee Shah (the King) died, and the young officer was just in time to take a part in the war of that period. For his services with the Army under the command of Sir H. Bethune, he received the Order of the Lion and Sun, and was mentioned very favourably by the Ambassador, Sir John Campbell, in his despatches to the Government of India. The war over, General Lynch was sent with despatches to India, but he shortly returned to Persia, where he remained till his services were required in aid of Sir William Macnaghten, at the Court of Cabul. He was appointed Political Agent in the Ghilzie country, but when troubles broke out there, finding that Sir William would not listen to the advice of those who knew the feeling of the country, he struggled hard as long as he could in a bad cause, and then resigned his appointment and returned to England. Before doing so, like a true political of the old school, he warned the Government of India, in a long minute, which afterwards appeared in the *Bombay Times*, of April 23, 1842. Of this Dr. Buist, the Editor, wrote: "We have from time to time referred to the warnings given to the Envoy and the Government by Sir Alexander Burnes, and promised that, by-and-bye, we should lay before our readers documents on this subject, adequate to satisfy the most sceptical and fastidious. We see no reason why we should postpone the publication of Major Lynch's papers, proving, as they do most satisfactorily, that there were other lights than those supplied by Sir Alexander Burnes placed before the Envoy, adequate to show the dangers surrounding him, of which he most unhappily failed to avail himself." It is not too much to say that had General Lynch's advice, with that of other officers, been taken at the time, the dreadful Cabul disasters might never have taken place.

We are glad also to have this opportunity of thanking General Lynch for various valuable contributions in times past, both to our editorial and correspondence columns. Up to a comparatively recent period, the gallant officer has occasionally contributed to this journal, more especially on political topics; for Lynch was a political of the days when there were giants in the land. But when the term "recent" is used, it must be

remembered, as stated above, that General Lynch has seen service in India during a period of nearly half-a-dozen administration generations—those *lustrums* of which the *Pall Mall Gazette* speaks. In the early part of 1867 we republished the minute General Lynch wrote concerning the affairs of Ghilzie and Candahar in 1839, which is an important contribution to the right understanding of that episode of political blunders and heroism—the invasion of Afghanistan. General Lynch leaves behind him many a true friend, and carries away many a pleasant reminiscence of duty done under most trying circumstances. —*April* 21, 1871.

ONE OF THE UNCOVENANTED.

IT is written—"The eye cannot say unto the hand, I have no need of thee; nor, again, the head to the feet, I have no need of you!" This natural simile serves well to illustrate the mutual dependence and inseparable relationship between the different branches of the Indian Services. Amidst all our changes and new-fangled organisations, this sense of mutual inter-dependence is never lost sight of, and there is always, though tacitly held, a strong conviction that the bond is indispensable. It will be an ill day for India when this feeling of *solidarité* becomes weakened. We have often had to take note of the departure of veterans of the camp and council-chamber, then again of Covenanted Civilians, who may have moulded the administrative policy of a generation, and wielded, during a decade, that strangely potent force—executive power in India. We have now to record a few notes on the career of one who, in the ranks of the great "Uncovenanted" Service, has performed a long series of exceedingly important duties. We allude to Mr. R. H. Showell, who, at this the last day of the month, retires as Second Magistrate of Police for the town and island of Bombay. Seldom have those who have worked through the regular grades of this irregular and always subordinate branch of the services, attained to so prominent and responsible a post as that just now vacated by Mr. Showell. His service commenced, we observe, in May, 1834, continuing in "non-gazetted appointments" until January, 1848; and, subsequently, in posts to which he has been "gazetted" up to the present time—a total period of rather more than thirty-seven years, during which he has had less than two years' leave to England. In looking back through the vista of European affairs, we all feel that a very wide span separates us from that period. On the surface of history the changes in Western India have perhaps been fewer in that time than in most European countries; but beneath the surface and in nearly everything that concerns the steady under-current of administration, the transformation in methods of work, manner of doing business—in a word, the style of manipulation in the art of government—has been as complete as it well could be in any Asiatic State. Within that period our admirable land revenue system has been introduced, English education has sent its threads of Western influence through the more apt and aspiring castes of the people, the Codes have superseded, or complemented, the excellently drawn old "Regulations," not always with advantage; and in countless ways, fully appreciable only by our most experienced administrators, our attitude towards the people and theirs towards us has been subject to unsettlement and changes on every hand.

An officer in Mr. Showell's position has had the best opportunity to trace the course of these changes in detail. He has watched how the people took them; he must know better than many of his superiors what the brown men think about the doings of that well-meaning, but very strange and very powerful *Sirkar* which has done so much in the Deccan, Konkan, and Guzerat since 1834. . . . . .

In reviewing so lengthy a career, it is impossible for us to trace the retiring Police Magistrate through nearly all the different services he has performed. It has been his lot to stop many gaps; and, as is often the fate or fortune of the ever-present and ever-serviceable Uncovenanted, he has had his share of knocking from pillar to post; but his ready adaptability and willingness to make the best of things have aided his solid qualities in keeping him well to the front. He has three times acted as Collector of Bombay; was Commissioner and Collector of Income Tax, whilst carrying on three or four other minor services in 1860; was President of the Bombay Municipality, when he drew an exhaustive report on the city finances of that period; his valuable services as Secretary to the 1863-64 Commission on Prices and cost of living in Bombay Presidency, we

have recently referred to; he was also Secretary to that terrible revolutionary body, the Rampart Removal Commission in 1863. He has also been a Cotton Frauds Inspector and a Railway Magistrate; in fact, we find it difficult to name any branch of civil service to which Mr. Showell has not put his hand—though we believe he has been kept outside the P.W.D., an exclusion which may or may not have been to the public advantage. His recent work on the Magistrate's Bench in Bombay is known of all men and open to their criticism. This Uncovenanted Servant of Government has not been left without recognition and reward, though, compared with many retiring prizes and honorary distinctions, his seem small, when his long, arduous, and effective services are fairly considered.

In thus recalling to mind Mr. Showell's long and varied services we have not only had his own career in view, but have written partly in the hope of inducing a better appreciation of that large class of Indian State servants to whom very few prizes pertain, whose rules of furlough and pension (so far as Europeans are concerned) are not such as to inspire zealous effort, though a very large proportion of public business must pass through their hands, and in their fidelity much trust must be reposed. It is true there is one great difference between the modern aspirants to the Uncovenanted Service, and men like Mr. Showell: he had to carve out his career from the rough, and he began on the lowest rung of the ladder; whereas the new comers expect to begin where he left off.—*Sept.* 30, 1871.

ASSASSINATION OF LORD MAYO.

LONG before these lines reach our readers, the astounding and distressing tidings which it is now our lot to record will have penetrated wherever our broad sheet is read. The ghastly story is soon told—the genial, warm-hearted chief ruler, fresh from his pleasant trip to Burmah, where high political duty had called him, visits the most miserable corner of this Empire, anxious to ameliorate the deplorable condition of its denizens, who of late have seemed to find "beneath the lowest depth a lower deep" of wickedness and wretchedness—when one of them steps forward, and, with swift stroke from murderous knife, strikes down the representative of Her Majesty, who dies shortly afterwards. His Excellency was on the pier at Port Blair, just about to return on board H.M.S. *Glasgow*, when a convict broke through the guards, and, as we have said, stabbed him to death almost on the spot.

There is nothing to mitigate the grievousness, and, so far as we can see, the needlessness, of this great political calamity. Again, as in the case of the Chief Justice, the public will indignantly demand, why were not common precautions used? The question is too common-place to be asked when a moment's consideration is given to what any gaoler knows of convict nature.

When regard is had to the place and circumstances of this great crime, it will be seen to have little, if any, political significance in its motive. What the political effects of this startling crime may be, it is not so easy to say; though it is well to be forewarned of the tendencies which it will influence. Whatever there is that is stern and unsympathetic in the ruling race will, insensibly, acquire a harsher tone and a more antagonistic spirit. What there may be of malignancy and hate in the hearts of the few disaffected will be stimulated into malevolent restlessness. But, perhaps, following some inscrutable tide in human affairs, this foul deed—the cruel murder of a man who ever had at heart the good of India's millions—may evoke a revulsion of loyalty and right feeling.

According to the settled order, Lord Napier of Merchistoun will act as Governor-General until further orders; and thus Madras, a second time within recent years, sends its Governor to wield supreme power at Calcutta—the last instance being that of Sir William Denison, who took up the post on the death of Lord Elgin.—*Feb.* 13, 1872.

II.—From the telegraphic news distributed here in "extras" early yesterday, the public learned nearly all that we can wish to know concerning the foul deed which has sent a tremor of grief and indignation not only throughout India, but all the British Empire. It may be said that His Excellency Earl Mayo has fallen a victim to his zeal in performing an unpleasant public duty. Port Blair had been thoroughly inspected; the day's work had been fairly done; but there remained an hour more of daylight, and his Lordship thought it well to spend the time in visiting another corner of the settlement, a place called Hope Town, and there the catastrophe occurred. Our implied censure of yesterday, on the local authorities and Viceregal staff, was not, it would seem, quite deserved. Due precautions had been taken to secure His Excellency's safety while moving about in that cage of unclean birds; but the shades of night had begun to fall ere the Viceroy and party got clear of Hope Town, and in the partial obscurity the assassin found his opportunity. . . . . .

Now we have to deal with the event: what is its complexion—is it a symptom of any general malady in the body politic? It is a great relief to find that the miscreant is not a native of India. It is a further satisfaction to find he is *not* one of the mutineers, and that, so far as can be now divined, there was not the slightest trace of political animus prompting to the crime. Fanaticism there might be—the homicidal impulse blended with some vague notion of doing a meritorious action as a means of escape from a miserable life. Against a baleful passion like this, the wisest laws and most beneficent ordinances can do nothing, except by continuous all-pervading influences extending over many generations. This peril is not peculiar to India. European nations are not exempt from it; and we must take our account for that danger, much the same as for the deeds of pure lunacy, accident, or elemental disasters. No other event of the kind since the assassination of President Lincoln has produced such a profound sensation as must be caused by the death of Earl Mayo. That was purely a political event—"the assassination wheel in the machinery of revolution had long been wound up"—but, as we have said, this murder seems conspicuous for the absence of political motive or purpose in connection with it.

In turning to estimate the loss that India has sustained in the untimely death of the Viceroy, we do not wish to forget that we were amongst those who severely criticised Mr. Disraeli's choice of Lord Lawrence's successor. We thought that several abler men might have been found, and we still think that Lord Mayo would never have stepped into the ranks of great statesmen. But when we recall his modest plea at Cockermouth, in taking leave of his constituency, that "he never thought his countrymen would condemn a man untried;" when we run over in retrospect his three years' work in this country, from the Umballa durbar to the brief but emphatic Rangoon speech, and the special service of thankless duty in which he perished; and when we note Mr. Disraeli's sober testimony, uttered on Monday night, that "the country has lost an inestimable servant," we accept it in all the fulness of the words, and could almost wish that some of our three-year-old criticisms were blotted out. Perhaps we can do better without great statesmen in India. The last we had well-nigh ruined the Empire. Lord Mayo, affecting no grandeur in manner, bore his high office with mingled ease and dignity, and it was this which made such a great success of the meeting with the Afghan Ameer immediately after his arrival. Trained in the habit of deference to colleagues, he at once fell into the grooves of the Executive Council work, and readily appreciated the judgment of men whose minds had ripened in grappling with the practical work of Indian administration—albeit so different from the Parliamentary system under which he had to work as Chief Secretary. Yet he retained his independence, ever and again vindicating his individual perception of the relative rate proper to be attached to the different courses open to him and his colleagues. We have had to raise our objections to the mischievous fiscal policy which his Finance Minister was permitted to carry out; but Lord Mayo deserves high credit for having so early recognised the primary importance of a sound financial condition, and for his resolute determination to check waste and lavish expenditure. It was this principle which led him to persevere so firmly in the path of economical railway construction in which the Government of India was about to enter when His Excellency arrived in this country.

We must remember that Lord Mayo's career as Governor-General has been cut short in the midst. From his disposition and manner of regarding public questions, it is very

plain that he would have done much to curb that tendency to restlessness and ever-recurring revision which, during the last few years, has been the foible and snare of the Indian Government in legislative and judicial procedure, military and civil administration, public works, and fiscal experiments. He was just the man to hasten slowly, and appreciate the good sense of letting alone where possible. His frequent tours, and his desire whenever practicable to "see for himself," were fast confirming him in the conviction that Indian administrators do not need new tools or increased powers of any kind, half so much as they require to be prompted to more zeal, industry, and discretion in utilising the facilities they already possess, and which, by dint of more active sympathy with the people around them, would be extended a hundredfold. His recent voyage exemplifies the characteristic we have just referred to; though men in whose judgment we cherish great confidence have spoken dubiously as to the value of "these flying visits." The very day we write, His Excellency was to have landed in Orissa, and no one can doubt that province needed to be seen with fresh eyes. . . . It is not intimated which vessel would bring back the widowed Countess, but no one can forget that she and the other ladies who just now made Rangoon so unwontedly gay, were waiting on the deck in the twilight of Friday last, and watching for the boats bringing off the Viceroy and his Staff. It is probable that they would perceive that some commotion had occurred; and amidst all our grief and excitement in Bombay, we can but faintly estimate the horror with which the grim truth would be whispered on board the *Glasgow*.

As for more particularly characterising the personal qualities of the murdered ruler, we cannot do better than adopt the terms used yesterday so feelingly by the Senior Judge on the Appellate Side of our High Court: "He whom we welcomed in this city but three years ago—he who by his noble and manly bearing, by his kind and genial manner, captivated those who had the good fortune to meet him— is no more. He who most earnestly sought and truly laboured for the good of the people of this Empire has fallen by the hand of the assassin."

It is too early to discuss the question of a successor; but the names of the two Napiers occur to the minds of all of us—the one being marked out by prescriptive claim and grace of manner, the other by almost universal desire in the hearts of all classes amongst the Indian populations.—*Feb.* 14, 1872.

III.—The story of the Viceroy's murder, and the circumstances immediately preceding that dire event, are related by the correspondent of the *Pioneer* with a simplicity and distinctness that leave scarcely anything to be desired. Though the narrative is sent to that journal only by telegraph, it is full enough to settle all our surmises concerning the history of His Excellency's last act of public duty and the catastrophe which followed thereon. The story induces, for the moment, something approaching to an awful sense of the inevitable, as if we also must interpret the event by the blank maxims of the fatalist: . . . . . .

No precautions that are practicable or endurable will avail to protect our rulers against perils like this: so they must be faced. The question, as yet inscrutable, is, why does this dream of assassination arise—and how is this murderous purpose cherished? Its existence is intelligible; but we hold very few of the links that connect the inception and the crime—a crime that defies all terrors either of this world or the next. Why do our administrators know so little of this horrid malady of the body politic? Have Indian officers of every service lost those apprehensive and keenly perceptive faculties which in the political, the scholar, or the medical man of the last official generation were in every province available for the special service of the State? After all our educational efforts, municipal and judicial reforms, and professions of desire to associate the people with us in the walks of responsible administration, is it really the case that we are now removed further from them—that there is a greater gulf than in former times between the rulers and the ruled? For our part, we do not think these queries should be answered in the affirmative; but they are borne in upon our thoughts at this time.

In one telegram received by a contemporary yesterday, it is stated that the murderer avows himself a clansman of Abdool, the assassin of Justice Norman; and, it is implied, that he only performed the traditional obligation of his tribe in taking signal revenge for the death of his clansman. There is nothing improbable in this; but it is just such a story as would be likely to rise to the lip of rumour amidst the hundred surmises that are

afloat. And even this theory, it must be noted, does not lend itself as evidence of any general deep-seated political incitement.

The details as to the personal incidents of the tragedy, as told by the *Pioneer's* correspondent, are of the deepest interest. Lord Mayo's last words, "They've hit me, Burne," is the simple, natural exclamation of a man prepared for any emergency, and entwined within whose character were heroic fibres suitable for great occasions should such have arisen. The testimony to Lady Mayo's noble bearing on board the *Glasgow* in that hour of crushing dismay and overpowering grief, is prizable as proving the high character of the race which holds the destinies of India. One or two of our native contemporaries have expressed the fear—not unnatural from their point of view—that this second murder in the ranks of our chief rulers, during a few months, will deter men of high position at home from accepting office in India. Quite otherwise, we think, will be the effect. The sense of public duty, and the relish which courageous spirits feel in confronting personal risk, will combine with more practical considerations to render high positions in India more alluring to well-bred men of strong intellectual character. How poor and tame compared with the Indian career of Lord Mayo are all but the very highest achievements of politicians at home! India and its vast interests will acquire fresh attraction to noble minds from this mournful incident.—*Feb.* 16, 1872.

IV.—Now that we know all about the incidents immediately connected with the catastrophe at the Andamans, inquiry will be busy and conjecture set free to trace out the motives which impelled the murderer's arm. The Indian press throughout may, we think, be commended for the tolerable firmness with which it has held its judgment in abeyance in respect of this alluring theme of deepest interest. To many minds the act is sufficiently accounted for by the now well-established homicidal tendencies of this blood-thirsty Khyberee. Men who are satisfied that the ingrained crave to kill would be adequate to impel this wretch to sacrifice his own life, and that the unwonted presence of a high official from the outer world only gave the slight incitement needed, will demand some tangible evidence before they can regard the act as the result either of theological fanaticism or political hate. If it were proved that the convict had heard of the murder of Justice Norman by Abdoola, and that Shere Ali recognised him as his clansman, the act need only be regarded as an extreme instance of the malignant custom of tribal vengeance. . . . . .

The most plausible of the theories which seek to trace this dire event to general political causes is that which may be thus stated—the numerous changes of late years in official organisation have unsettled the minds of the masses, and the change in our administrative *personnel*, during the same period, has been of a nature not calculated to soften the asperities arising from those changes: during the same period "fiscal science" of a sort has made such "progress," that the most ignorant villager feels the touch of the tax-gatherer; and the tedious, costly methods of our judicial system, though a source of profit to some classes, press heavily on the people generally. Thus, from a variety of causes, a spirit of unrest and dissatisfaction has been spread abroad, which, as it were, emits an atmosphere in which murderous thoughts are bred, inciting a malevolent creature here and there to desperate deeds. We must confess that this theory, though worthy of consideration, seems to us quite insufficient to fit the circumstances of the event before us.

There is another political theory which does fit; being, indeed, made strictly for the purpose. It is assumed, to begin with, that there is lurking somewhere beneath the surface of one large section of the Indian population a compact and consecutive conspiracy, having for settled aim—whether of theologic and political hate, or wild revolutionary scheme—the notion of striking terror into the hearts of the ruling race; and thus, it is hinted, these savage assassins are but the tools of cooler and more Satanic villains. We have already scouted the idea of any such result arising from the attempts of the assassin and the plotter—that British Viceroys, or the men of whom they are made, can be moved by fear; but it is scarcely needful to take the possibility into court for a moment. This theory of calculated terrorism, which, as we have said, is made to fit the event so exactly, remains as yet under the essential disadvantage of having no facts to support it. Not a tittle of tangible evidence has yet been produced to show that either Abdool or the wretched convict at the Andamans was incited by any secret conclave. We do not affirm this is

either impossible or violently improbable; but we do say it would be as unwise as mischievous to treat what is a notion of pure assumption as if it were a fact half proved already.—*Feb.* 17, 1872.

V.—The "extra" we circulated early yesterday would apprise our readers that the last act of the tragedy at Port Blair has been performed. According to the rule of life for life, Shere Ali, the convict, has been put to death, not because he committed a high political crime, and plunged a whole realm into mourning and indignation, but because he was guilty of wilful murder. So far as appears from the brief telegram about the execution, the penalty of the law—a law equally efficacious for the protection of the poorest coolie in the land—has been inflicted without the slightest trace of passion, or any sign that the British Government could be moved to revenge, or seduced, even by this tremendous provocation, to depart from its settled ordinances, or stoop to borrow some special terrorism from the superstitions of the ignorant masses. The vindictive Khyberee has been allowed to live just long enough for his trial to go through all its proper stages of inquest, formal arrangements, sentence, and confirmation; long enough for him to divulge any secrets he chose to tell, and also for close investigation into every circumstance that may recently have connected him with the outward world. The Government of India has, doubtless, been plied with numberless incentives to use pitiless devices for wringing some assumed secret from Shere Ali's inmost soul, also with still more cogent persuasives towards the infliction of some ineffaceable disgrace on the criminal or his corpse, which it is supposed would carry to the minds of incipient traitors and fanatics the stigma of everlasting defilement and eternal perdition. The eagerness with which suggestions of the kind to which we allude have been brought forward, whilst testifying to an unmistakably sincere zeal on the side of rightful authority, throws a weird light on the workings of the native mind. Let us trust that the calm, unimpassioned demeanour of the British Government, and of all the authorities concerned, in disposing of the assassin, will have its due effect on the mind of the people of India, showing them that—though an official here and there may occasionally forget himself, like the two in the Punjab in January—the majesty of English law is far above the tumult of passion and all the incitements of vindictiveness.

It is not necessary to deny the existence of a murderous plot against the late Viceroy; still less would we try to prove the negative, that "the murder of Justice Norman and the murder of Lord Mayo do not proceed from a common origin." What we say is, that monstrous as is the crime, it can be accounted for without the far-reaching, disturbing hypothesis of a fanatical or general political motive carried out by a subtilely concocted plot. The telegram now before us implies that Shere Ali (has apparently) confessed the crime was committed in revenge for what he deemed the injustice of his first conviction. Again the London Letter comes in very pertinently to carry on the argument. The writer remarks that "if he coveted the gallows, pure and simple, he need not have waited for the very improbable visit of a Governor-General to Port Blair." Certainly, not necessarily, for a Viceroy; probably Lord Mayo's visit was only just in time to save General Stewart's life; for Shere Ali's first revenge had so much method in it that "he had determined to murder some European of high rank."

As to the injustice which the embittered mind and malevolent heart of Shere Ali taught him he had suffered, we would refer our readers to the sketch of his biography given in our columns the other day. It will there be observed that when he was condemned to *kali pani*, the assessors "did not find Shere Ali guilty of murder." We would ask those who feel themselves capable of sitting in judgment on this strange, eventful history, to go back to that stage of it, and then ponder the fateful issues which then took their rise. There we must leave the mystery.—*March* 19, 1872.

AN ANGLO-INDIAN JOURNALIST—OF THE COLONIAL TYPE.

THE speech of last Thursday evening, delivered at the Esplanade Hotel, and duly reported in Saturday's papers, is one that must attract notice, and one which, when well looked into, cannot fail to evoke some criticism. From inclination we should have preferred to refrain from comment on an address that was mainly, and in the pleasantest

sense, a personal one. If we try briefly to indicate our points of divergence from some of Mr. Maclean's propositions, it is certainly from no wish to give countenance to the strange notion of his friend "on the other side of India," that Bombay papers "are always full of contention." Nor should we feel called upon in this instance to try to justify the speaker's excellent remark that "where there is agitation and movement, there is sure to be life, and vigorous life, and the outcome of all that is sure to be good, whatever mistakes may be made." This is not an occasion for agitation and combative debate. But his speech, which is now sent through the length and breadth of the land, is, in some sort, a political manifesto, the bearing and tendency of which it may be of some public service to consider.

It is avowedly a declaration and advocacy of a colonial policy, and comes little short of a proposal to transplant the British Constitution to India, together with the usages and rude independence of English public life, and all the immunities, with more than the chances and prizes which tempt the ambition and life-long struggles of our home politicians. Such a programme has an irresistible fascination for an assembly of Englishmen. Moreover, the experiment has answered fairly in Australasia, in South Africa, and in "the Dominion" on the St. Lawrence and the great Lakes, to say nothing of its transcendent success in the great federal Republic of the West. But, unluckily for the argument, though these illustrations are effective, the analogy is incomplete. In all those instances the course was clear. A colonial policy reckons nothing of aborigines; and in each of those cases the material to work with was as racy of its natal soil as the men of Kent, Yorkshire, or the Lothians, albeit with a freer dash of the invaluable Celtic element than has yet been allowed to come to the front in the conduct of public affairs in the United Kingdom. It is scarcely needful to ask, what have we in this country at all comparable to these elements and conditions? We must remember that the relative political importance of town and country, which at home, from our youth up, we have been accustomed to regard as immensely in favour of the former, is here in the opposite scale. It is true that in the great ports and presidency towns, where foreign commerce has its focus—and trade is becoming of more political moment every year—there is necessarily more of discussion, more outward manifestation of what we regard as the essentials of political life.

But no one can hope to comprehend the affairs of this vast and diversified empire of two hundred millions of souls who does not constantly look beyond the more obtrusive interests of the presidency towns, and strive to consider the far larger affairs and really more exigeant claims of the vast silent mofussil peoples on behalf of whom there are so few articulate and wholly trustworthy interpreters. . . . . .

Much of Mr. Maclean's criticism of bureaucracy was amusing enough, and the passages in which he asserted the natural and inalienable right of Englishmen to occupy the highest posts in the State to which their talents and energy entitle them, were very telling; but the ringing cheers with which these periods were received have passed away; and the question that will now be eagerly discussed by the Indian press, is—how much of that criticism is strictly applicable; and how, in this Indian constitution of things, can we hope to satisfy the British politician's claim to have all he can win in the strife of public work? There were cries of "Name, name," when Mr. Maclean drew the picture of the jolly Councillor of the olden time in his easy chair, and there would be little difficulty in identifying the honourable gentleman; but the speaker could scarcely be serious in reference to the present state of things when he added, "I say that is a fair description of, I will not say all of them, but of the way in which a Council so constituted and so cut off from publicity may be expected to do its duty." The misfortune and complaint of the present day is that our honourable Executives will not absorb their magnificent salaries in peace, but must needs be ever minuting and resolving in order to do something for their money. . . . When Mr. Maclean describes an effete, supercilious, and exclusive bureaucracy, and demands to have all this changed, he must be reminded that it *is* changed, and that the whole Service is in course of transformation. After Dr. Birdwood and other assailants of crammers and competition-wallas have done their worst, it is admitted that the young and rising Civilians are, as a class, eminently worthy representatives of the English people. The testimony of "W. G. P.," and some others who recently wrote on this subject in our columns, should be conclusive as regards the personal aspect of the question; while, as to the system itself, when certain obviously required reforms are introduced—when, for instance, the limit of age shall be again extended so as to admit university men—it may be said that the open Civil Service—free to every British subject who can obtain sufficient education—presents, with only a slightly different reading, a practical realisation of that ideal which Mr. Maclean thus

puts before him as if it were some dream of the future: "And what I should like always to aim at is this, that we should throw open the higher posts of the Government of this country to men of intelligence and position in India, and especially to those Englishmen who spend the best years of their lives in the country." . . . . . .

This skilful and interesting address, though tolerably complete and admirably fitted for its purpose, presents almost a blank in regard to, and in comparison with, the vast interests of the people of the country, by whom and for whom the imposing fabric of British Indian empire is maintained. The people were only referred to in a secondary sense, though in a tone kindly enough; but this was all strictly in keeping with the colonial idea, which, as we have pointed out, is the key-note of the whole speech. Of course the local native community are fully included in all Mr. Maclean's references to the long-pending municipal reform; and we join heartily with him in the firm trust that, under the hand of Sir Philip Wodehouse, Bombay will shortly be "a city in which the example of self-government will be shown to all India, and all nations will see what Englishmen can do in a country which is said to be a conquered one."—*July* 22, 1872.

II.—In course of his letter this week our friend, "J. M. M.," casually makes a confession of political faith. He says: "Now, speaking for myself, I am, in common with the majority of Englishmen, a Liberal by instinct and training;" such is the writer's own report. But the result of our examination of the specimen in question is, that it belongs to the order of Whig-Radical, in the proportion of about seven of the former to three of the latter. Sufficient of the declamatory and demagogic element to speak ill of dignities and denounce those who stand in its way; but, after all, leaving room for that exclusiveness, hauteur, and demand to rule in its own name and for its own sake, which has made the typical Whig so irritating an entity in our political system. . . . With regard to the people of India, the policy of this Whig-Radicalism, which is the real character of the politician in question, may be thus summed up: "Keep them down—make them pay; and, as to the Native States, sweep them clean away." If this is what comes of being nurtured on Liberalism, we can only say, "May we, and India, be delivered therefrom." *—*Aug.* 23, 1879.

III.—That was a skilfully written and, in many passages, graceful valedictory letter, addressed, on the last day of 1879, to the readers of the *Bombay Gazette* by its retiring editor and proprietor, Mr. J. M. Maclean. . . . As it happens, a certain rather pronounced personal demonstration, a few months ago, in one of the London Letters of "J. M. M.," caused us to essay that classification for which the "candid" critic we have named is at a loss.

It is not needful to quote that here [it is recorded above]: what we have now before us is the present retrospective confession of political faith; but we note, in passing, that the following item of the confession curiously corroborates one side of our former estimate of Mr. Macean's political character: "At least, my attacks have always been directed against men high in authority, and their aim has been to secure the public against abuses of power." But here is his own declaration, in brief, which we are bound to quote:—

> A steady supporter of English rule, I have nevertheless always striven to submit the conduct of English rulers in India to the judgment of an intelligent public opinion; and if my efforts have helped to raise the character of the Indian Press, to make it more independent, respected, and powerful than it was when I first came to this country, I have spent my time in India to some purpose.

Far be it from us to detract from this honourable boast; but there still remains the question, In what sense has this "steady support of English rule" been rendered, and what has been the tendency of these "attacks on men high in authority"? In suggesting an answer to this question we may note the mention made by the writer of the "faithful friendship" and "unvarying support" with which his journalistic career has been attended. Very gratifying, no doubt; but is not this popularity, so far as it has political significance, due in great measure to the circumstances that Mr. Maclean's views of "English rule" in and over India are those that pertain rather to colonial notions of the policy that should be followed in dealing with dependencies of the British Empire—views that are

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* This Extract is from the *Bombay Review*.

always "popular" in the presidency towns of India and, more or less, with non-official Anglo-Indians everywhere? This view is to the effect that India should be administered, first of all, so as to subserve the profit, pride, and political prestige of the paramount Power; afterwards, if any funds, honours, or favours can be spared, let India and her people have what they can get, and be thankful. It is obvious that this principle of determining the relations between England and India, though always certain to be popular in most Anglo-Indian clubs and coteries, is, to say the least, somewhat one-sided. And, as we all know, this interpretation of "English rule" for India has led the *Bombay Gazette*, under its late editor's direction, to decry the evidence of the very adverse financial conditions under which India has to struggle; to deride and oppose the claim of its sons to some appreciable share in the responsibilities of executive administration; to resist the true Imperial policy, declared by Crown and Parliament, which seeks to maintain and develop the autonomy of the Native States of India as individualised, though still integral, portions of the Empire. This attitude goes well with the temper of restlessness and aggression beyond the frontier, which the *Gazette* has usually favoured, the bitter fruits of which India is now tasting, and will be sick from the effects thereof for a generation or two yet to come. This being our honest version of what should be "the judgment of an intelligent public opinion" on the political course of the retiring editor, the appeal—

"Ah! defend
Against your judgment, your departed friend,"

comes to us with somewhat testing cogency. But we do not shrink from the test; and, having thus expressed our own judgment, we are free to acknowledge, with the rest, that the perseverance with which Mr. Maclean has struggled with the difficulties that beset journalism in this country, the energy which he has displayed in the treatment of public questions, the literary skill and intellectual force with which he has conducted the *Bombay Gazette*, claim from us very high praise indeed, and this we cheerfully accord him.*—*Jan.* 3, 1880.

IV.—Seldom, if ever, has any public entertainment in Bombay gone off with such complete success as did the banquet given by the Byculla Club to Mr. J. M. Maclean last Monday evening. The learned Judge who presided was in his best gravely-humorous vein; His Excellency the Governor gave himself up unreservedly to the purpose of the gathering, and in his speech, just of the right length, was peculiarly apt and felicitous. Sir Richard's reference to his own approaching departure gave enhanced interest to the proceedings of the evening. He was, in this, as frank as could be expected under the circumstances; but, necessarily, he left much scope for varying surmises as to the future that must await a man of his skill, energy, and ambition. The speech of the evening by the departing guest was at once worthy and characteristic of the speaker. The theme being his "noble self," he was bound to do justice to that, by way of heartily acknowledging the unbought enthusiasm of his hosts; while, as a journalist and politician, his comprehensive review of public affairs in Anglo-India was full of interest and suggestiveness. Retrospect, humour, argument, sympathetic recognition of old friendships' claims, were all dexterously blended with a forward glance towards that "fame" which

"Is the spur that the clear spirit doth raise."

As every word of Mr. Maclean's speech will have been read and re-read in the daily papers' reports, and so many appreciative notices of it have already appeared, there is little scope for us to remark on any of its passages. Four weeks ago our estimate of the politician and journalist was recorded in these columns. . . . We are content to leave it to the few who care to go into the comparison, to consider how far this passage traverses, and how far the whole speech confirms our "distinctive note" of the speaker's place and influence in Anglo-Indian politics during these last eighteen years.* —*Jan.* 31, 1880.

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* These Extracts are from the *Bombay Review*.

A SCOTCH BARONET.

IN the report that we published of the Indian Budget debate, it might be observed that we allotted a somewhat larger space to the short speech of the member for Ayrshire than had been awarded to it by the London papers. We had met with a Scotch paper which gave the speech in full, and though Sir David Wedderburn's few remarks are dwarfed in presence of the "large utterance" of the member for Brighton, there is justification both on personal and general grounds for our quoting the baronet of Ayr in full, and for our thus again drawing attention to his remarks. Sir David is closely connected with Bombay. This, and not Albion, is his natal isle; his father having been a well-known Civilian of last generation, who for long held the post of Accountant-General under the pre-Trevelyan system of public book-keeping. General Wedderburn, killed at the storming of Broach in 1772, whose tomb may be seen on the hill unto this day, was a member of the same family. The brother of the Ayrshire member, as all men know, was Acting Political Secretary to the Bombay Government during the more important portion of Sir Seymour Fitzgerald's reign; and, what is more to the purpose, Sir David himself "did" an Indian tour some years ago. As regards that tour, we may err because of local prejudice, but it seems to us quite possible to infer from a certain passage in his speech what was the direction taken by the Scotch baronet in his Indian journeys. In the bias which leads him to desire that the Governors of Bombay and Madras should be placed "on a similar footing with the Lieutenant-Governors of Bengal, the North-west Provinces, and the Punjab," we think fit to trace the influence of visual impressions on one whose direct knowledge of India was gained mainly in the valley of the Ganges and in Upper India. Still, the member of a family so intimately connected with Western and Southern India should have taken more thought on behalf of the historical associations which secure to Bombay and Madras a self-dependence bordering on autonomy—an administrative constitution and imperial relationship very different from that of the three or four satrapies north of the Vindhyas, which are overshadowed by proximity to Supreme authority. That the member for Ayrshire does not acknowledge the full and, as we think, the due force of our local associations, may be taken as a proof of the conscientious care with which he has set himself to study the Indian problem. . . . . .

No doubt Sir David Wedderburn is fully aware of the terrible gap in our financial system caused by the injurious inequality which exempts Bengal and the territories adjacent thereto, on the south and west, from contributing their *pro rata* share to the Imperial treasury; but he must also know that though the State misses a proportion of its rightful dues—equal in amount at least to the whole Bengal revenue from opium—the masses of the helpless race that tills the soil are stripped of everything not absolutely needful for bare subsistence. The difference between the Bengal land revenue and the true rent is muddled away amongst perhaps a million or so of unproductive, litigious middlemen and idle rent receivers; but all this belongs to the wheels within wheels of our diversified financial affairs, and we may be content to allow the member for Ayrshire more time before expecting him to dive into the intricacies of the great subject, which, as a member of the Select Committee, he has exceptional means of studying. In the few remarks on which we are commenting, he was, above all, bent on being practical—on suggesting how our ever-expanding expenditure can be curtailed without loss of power and efficiency.

This is an excellent object; but, as already intimated, we think he overshot the mark in aiming to cut down those very tall poppies, the Governors of Bombay and Madras. Some few thousands per annum might be retrenched from princely salaries and gubernatorial display, but a Governor, independent of all local influence and bearings, who, like Sir Philip Wodehouse, attends to his duty continuously and assiduously, may often avert the premature and misplaced expenditure of many lakhs. . . . . .

His opinion that "there is no danger in India, either political or military, except such as is involved in the financial difficulty," is a courageous one, and we believe it to be the simple truth; only it is well to know how much *is* "involved in the financial difficulty." The honourable member's remarks on the various ranks and terms of the Civil Service, covenanted and uncovenanted, native and European, are very suggestive, and, though evidently not fully thought out, are such as afford another proof that Sir David Wedderburn has bestowed careful thought on Indian affairs, and that he bids fair to be of real service in this country.—*Sept.* 12, 1872.

EARL MAYO'S SUCCESSOR.

NEARLY three years have passed away since, in the cool morning hours, Earl and Countess Mayo stepped up the gangway at our Dockyard, and, walking along the covered and guarded way, received their welcome to the shores of India. Lord Northbrook is, indeed, no stranger in Bombay. His figure and name have been familiar to us since he landed at the Apollo Bunder in the bright sun-light of afternoon in April last; but so little has been heard of him, so little has his influence been perceived during the last six months, that his stepping ashore at the Meanee slip this afternoon has about it all the significance of an historical event.

Let us recall the essentially personal aspect of this incident. During the dark hour of horror and indignation immediately after the crime which deprived India of her last chief ruler, many intelligent native politicians, who sincerely appreciate British rule, queried whether the dire event might not deter men in the foremost ranks of English life from accepting the high service of the Indian Viceroyalty. This, though a natural fear with those who expressed it, was, we knew, quite a misapprehension. As soon as England had recovered from the shock, and after a very few weeks occupied in arranging on whom the arduous lot should fall, and to whose hands the great prize should be committed, there steps forward this peer of the realm, who accepts the charge with, as we may be sure, a full consciousness of all the responsibilities it involves. . . . But the time for expression and for action must soon arrive. Such an extensive and varied tour as that now being accomplished by his Lordship must produce fruit. It must tend to ripen rapidly the thought and research of six laborious months, passed in the comparative seclusion of the bureau and Council Chamber. His Excellency must know his own way, and also the right time for the manifestation of his policy, better than any adviser can tell him; and it is no secret that much of the confidence with which the public await the development of his plans arises from the tolerably well-established assurance that he does not lean on advisers. He is not a man to undervalue those lessons of experience which often serve to give wisdom even to commonplace men, if of honest intent; but the growing belief, that he can listen with all due deference to advice and still follow his own course, is one which we trust will receive somewhat distinct confirmation before his Lordship leaves Bombay. Here, after all, we have drifted into grave talk of affairs of State, whereas our object was only that of joining in the welcome which our jubilant city gives this day.—*Nov.* 14, 1872.

THE VICEROY'S CONVOCATION ADDRESS.

LORD NORTHBROOK'S address in the Convocation of the Calcutta University is of a kind in which points of personal interest predominate. It was not to be expected that his Lordship, speaking amidst men experienced in all the details of Indian College progress, and fully acquainted with the peculiar difficulties that have beset University policy, could tell them anything new. It was not likely that, in a special address in which the speaker was compelled to notice many topics into which he could not fairly enter, he would be able to bring out the several points now in dispute concerning high culture in India with that sharpness and peculiar distinctness which is requisite for determining conclusions and settling off arrears of controversy. Yet when we come to regard this Convocation address as marking off the personal attitude of a new Viceroy to collegiate education and university influences, we find it full of interest. And to those who listened to it when delivered, the deliberate parliamentary manner of the speaker would permit of the rise in the minds of the audience of a crowd of suggestive and retrospective thoughts—glancing "before and after"—of which the whole theme is full. Leaving his own position out of count, there is enough to inspire high enthusiasm in the survey of what has been gained for intellectual culture in the period from Lord Canning—who, in the time of peril and amidst the upheavings of revolt, inaugurated the Bengal University system (in the same year as our own)—to Lord Mayo, who, speaking in a time of assured security, but ever rising controversy, avowed courageously that whatever the effect of English education on the people of this country, it is the duty of

Government to go forward in the work "without fear or hesitation." This remark, as will be remembered, is the counterpart of Mountstuart Elphinstone's well-known reply, when warned that in compiling Mahratta school books he was affording a fulcrum that might serve for the ejection of his own ruling race from India.

In what may be described as his subjective view of Indian education, Lord Northbrook takes up a position that may fairly be regarded as one of high historic interest. In the familiar story of English politics, the date of 1854 seems to most of us but as yesterday. In the slow, struggling history of Indian social affairs, in the conflict between ancient creeds and restless modern thought, amidst great political changes and financial troubles, the time that has passed here since 1854, the years during which the first graduates of our universities have been testing the education then received in the stern school of practical life, seem equal to half a century of the less changeful European progress. . . .

He seemed rather to waive, than to meet the controversy as to whether Indian Universities should be entirely examining and controlling bodies, or they are to gather professorships and lecture halls under their wing. The Calcutta *savans* having been unable to settle this disputable point, it has been settled for them, Lord Northbrook considers, by the circumstance that the Tagore Professorship of Jurisprudence has been founded. This is to be the beginning of great things; Comparative Philology, Grammar and Logic, also Physical Sciences not a few, are all to be taught under the direct guidance of the University and its Syndicate. It is not clear whence the means for this ambitious scheme is to come; but such is the programme, and we suppose its fulfilment must wait upon the decease or the gifts of some large-minded native capitalists, of whom, amongst the zemindary of Bengal, there ought to be half a dozen equal to the occasion. If it were not for this prospect of extraneous eleemosynary assistance, we should be inclined to fear that the promulgation of this scheme for a teaching university is somewhat premature. It is true that at home, notwithstanding the different plans that will have to be adopted in the reform of Dublin University, the tendency of opinion has been towards giving to universities a local habitation and restoring most of them to their old ideal—still maintained with many imperfections in Oxford and Cambridge—of an organisation of intimately connected colleges, libraries, and lecture halls—a federal union of distinct and independent, but mutually helpful and inseparable scholastic institutions. . . . . .

Before leaving this Viceregal address we must note that in regard to the ever occurring query, What shall our Indian graduates do with themselves and their culture? it was an excellent suggestion on the part of His Excellency, when, taking as examplars Sir Francis Grant and Mr. Goschen, he pointed to the fine arts and the higher walks of commerce as fields in which men of culture might find a career for themselves and do service to their country. Wealthy native merchants there are in abundance in our three great ports; but when we witness the blind rule-of-thumb and traditional fashion in which business is carried on, we are inclined to wonder what influence our colleges have on every-day life, seeing that they fail to inculcate any knowledge of the principles which underlie banking business, or the operations of exchange and international commerce. Lord Northbrook, in the emphatic passage with which he closed his address, must have convinced the Bengalees that he is no enemy of the higher Western culture, of which he said: "I hail the extension of high English education as being to my mind, in addition to all the other advantages which it possesses, the most powerful aid to the complete social equality which I desire to see established in India between all Her Majesty's subjects."—*March* 24, 1873.

DAVID LIVINGSTONE.

BOMBAY will have no need to be ashamed of her confidence and pride in "plain David Livingstone." Some eminently Cockney writer in one of the overland weeklies has amused himself with picking out some of the colloquialisms and blunt phrases used by the rescued traveller in writing to Mr. J. G. Bennett. These, being torn from the context of Livingstone's plain, terse language, and strung together in a "lacustrine" paragraph studded with quotation marks, may provoke a moment's titillation; but those who read the documents for themselves (and we have reproduced them) will see that the gentleman, writing in London at his ease, has made but very poor fun of two of the noblest and heartiest letters ever written—under "creditable circumstances." We do not find that

they "are full of gush and quotation;" and if, in addressing a representative man of New York, the long-lost explorer did here and there catch the phraseology of his benefactor, it were a very small matter. When the phrases which appear odd, as standing alone, are read back into their places, they are mostly referable only to his rebound of good spirits after taking in three or four years of European news in as many days, and after his mind, during its long period of fallow, had no journalistic sustenance save a few very ancient copies of the *Saturday Review* and *Punch*. He had much to tell, and it must be put down in such language as came to hand; and, taking it as it is, we are not only glad to have it, but consider that these letters fitly show forth the plain, rough, but clear-sighted and indomitable explorer, the long-enduring, unaggressive hero, the catholic Christian, and, above all, the man of intense humanity. Quotations are complained of; but they are few, and those that strike us most are two short phrases from Burns and one from Scripture. This last comes after the story of the broken-hearted prisoners from Rua, and that terrible passage describing the chorus of ghostly vengeance sung by the wretched Babeemba captive slaves, when the traveller writes: "The laughter told not of mirth, but of the tears of 'such as were oppressed, and they had no comforter.' He that is higher than the highest regardeth." On reading that passage and those about the Manyuema—cannibals on occasion, but, as Livingstone thinks, finer specimens of humanity than the Anthropological Society itself—and their simple, vivacious market women, held sacred from all the risks of tribal strife and war's alarms until the cursed "Nigger-Moslems" broke in with all the horrors of the Arab slave-trade, we can fully realise the fervour with which Livingstone says, "It would be better to lessen human woe than discover the sources of the Nile." . . . . . .

There are, we know, many estimable men amongst this large caste—men who feel as strongly against these atrocities as Europeans themselves, and who can follow out the logical propositions that what a man does by an agent he does himself, and that to carry on a trade which can only thrive by the destruction of thousands of human beings, is a far more heinous sin than it would be to shoot all the pariah dogs in Western India. Let but a score of Banians unite in their punchayet to stigmatise the iniquity supported by their caste fellows at Zanzibar, and we should see that caste organisation is not the entirely evil thing that too eager reformers would have us believe.

But Dr. Livingstone does not forget the task confided to him by his "very dear old friend, Sir Roderick Murchison,"—that of examining the watershed of South Africa. From recent telegrams we see that the "carpet geographers" have again been cavilling at Livingstone's topography as interpreted by the amateur delineator, Mr. Stanley. Let them jangle. We can afford to wait until the *savans* and critics of Burlington House, and the dry-as-dust Mr. Cooley, of the Museum, have demonstrated that they know more about it than the man who has been there, and who still remains at his post. Meantime, Dr. Livingstone's own account is sufficient for us, and, with the aid of ordinary maps, affords ample explanation for all but a strictly scientific comprehension of the nearly solved problem. Taking that handsome though unpretentious work, "Black's General Atlas," dated 1870, on which Livingstone's position as conjectured at that time is marked down, it is easy to define the Manyuema country, where he has stayed so long, and whence he had to return, baffled by the rascality of the Banian-sent "Nigger-Moslems," who consumed or abandoned the stores for want of which he well-nigh perished. . . . . .

Thus is much contention going on at home about the Search Expedition, and its turning back. The disputants are not duly posted up, or some of their tongues are tied. It is highly probable that when the letter of our Zanzibar Correspondent arrives in London, a good deal of light will be thrown on the controversy. The Geographical Society has itself something to answer for, and the Foreign Office a good deal, as regards the humiliating collapse of that enterprise.—*Aug.* 22, 1872.

II.—After receipt of the Government of India's telegram stating that the news of Dr. Livingstone's death, brought to Aden by the Calcutta mail steamer, had been forwarded to the Viceroy, from Consul Cameron at Unyanyembe, under date of October last, it would be downright incredulity not to accept the fact that David Livingstone has gone to his rest, and that he died in harness. We had almost written that he must have finished his work; for if he died in June at Lake Bemba, as the first telegram said, he must have been beyond that great reservoir, and would have had time to travel along the water-shed to the west until he came on the upper waters of the Leeba and Lomoni. If this

were accomplished, he might be said to have completed his task; for the only remaining portion will be a comparatively simple matter—that is, the tracing up from his own most northern point at Nyangwe, through the "unknown Lake," to Piaggia's "unvisited" one, and so on to Petherick's Nile and the Bahr-el-Ghazl. But the second London telegram says that it was at Lobisa the weary traveller succumbed. . . . . .

After that has been settled, the one question will be, where shall the remains of this noble Scotchman find their last resting-place? There will be fitness in every way in his being laid in African soil at Zanzibar, the scene of some of his saddest hours and brightest hopes. But on that low-lying strand he should have some worthy monument, which, with tall spire or lofty pinnacle, should greet the eye of every new comer from the sea. If not at Zanzibar, where, at times, discreditable jealousies and animosities tended to throw a shadow across the brave, good man's path, then we would say at Aden should be his last resting-place—there also in sight of the sea, and in view of the thousands of our race who pass that way on their various civilising errands. It is useless now for us to express regret for the loss of him; that is felt, sincere and deep, by all of British blood who hear the story, and by many of other races, for we would not forget that Livingstone, the explorer, was also a Christian missionary. . . . . .

But Livingstone's fame will not lack its meed because "society" affects to have grown weary of his name. Neither will the petty jealousies of so-called men of science diminish the high appreciation which those who follow in his footsteps must ever cherish with regard to his wonderful achievements. In Sir Bartle Frere's Glasgow address, he says: "The geographical problems alone which he will have solved must exceed in importance and interest those of any other explorer since the days of Columbus." And the re-examination of his later discoveries which we have been able to give during the last two or three days had already led us to a similar conclusion. Now, all this is as simple as making the egg stand on its end; but operations of that kind require a strong, much-enduring, God-fearing man, like Livingstone, to carry them into effect. Then, too, beyond all the praise of geographers, and the commendation of enterprising patriots who look to future commercial gains from Central Africa, is the remembrance that Livingstone struck the death-blow at slavery in Africa.—*January* 30, 1873.

LITTLE STARS.

THE award of the small cluster of Stars of India recently distributed, though in all the instances—except, perhaps, that of the Khan of Kohat—conferred on men well known for their public services, has not escaped criticism. Considering the large stroke of work he has done within the last two years, and the magnitude of the province under his charge, no one can grudge Mr. Campbell getting a handle to his name; but the personal dislike that his Honour evokes so plentifully seems to have checked those congratulations that might otherwise have been anticipated. In the case of Sir Jung Bahadur there has been not a little grumbling. It is alleged that the famous Ghoorka knight is responsible for the secluded valley of Nepaul being closed against European settlers and visitors; but it is difficult to know what would satisfy some folk. There is no space in the well-populated valleys of Katmandu; but perhaps the Services in Bengal and on the Jumna would like Nepaul to be unto them as is Cashmere to the Punjab. If the Resident at Katmandu had been a man who could show the Rajah and his energetic Minister how to develop the mineral resources of their Himalayan valleys, great advantage would accrue both to Nepaul and central Northern India. If rifles and weapons of all kinds can be manufactured in and from the minerals of the valley, then all the smaller descriptions of iron-work for railways and other public works might also be made there, much to the profit of Sir Jung Bahadur's master and to economy in our Public Works and State Railway departments. For the rest, Sir Jung deserves his G.C.S.I. better than many who already wear that decoration. . . .

We have mentioned this lesser Star partly by way of referring to a Bombay man now translated, to whom some such recognition has long been due. We refer to Dr. George Birdwood, formerly and for several years Honorary Secretary of our Asiatic Society, and recently associated with Dr. Forbes Watson in the Indian Museum and Kensington Exhibition work. The display of popular esteem just manifested towards Sir Bartle Frere rested, no doubt, on many substantial grounds; but that it should be so lively and warm is

not a little due to the enthusiasm of Dr. Birdwood in times past, who, as an expositor of Sir Bartle Frere's sentiments and feelings, did much to secure for his Excellency the trust and affection of the leaders of native society. But there is also quite sufficient in Dr. Birdwood's literary and expository labours on behalf of India to entitle him to some such recognition as C.S.I. when next such trifles are going.—*June*, 1873.

HENRY LAWRENCE.

COMMUNICATIONS from Mount Aboo, or its neighbourhood, inform us of the celebration of the "Founder's Day" in the Aboo Lawrence School, on the 24th instant. On that day, nineteen years ago, Sir Henry Lawrence, surrounded by the residents and visitors of the locality, declared the Aboo School open for the children of soldiers and others serving in Rajpootana. The assembly of Tuesday last bore full testimony to prove that the good Sir Henry's labours have borne, and still produce, good fruits. The anniversary of the "Founder's Day" was, as usual, made the occasion for the presentation of prizes and medals to the children, who, in the presence of numerous and much interested visitors, received the awards from the hands of Colonel Brooke, the President of the School. . . . . .

Out of the rather large number, considering the remoteness and isolation of this station, of ladies and gentlemen assembled at the Aboo Lawrence School House on the 24th, not more than two or three could have been personally acquainted with the late Sir Henry Lawrence. Thus the changeful character of society in this country, with all the chances and trials of an Indian career, must have been impressed somewhat deeply, though we would hope not painfully, on the minds of many present, when scanning the long vista of nineteen bygone years between the foundation of the School and its present position. But seldom can have been more apparent the reassuring and consoling truth, that "the good men do lives after them, the evil is oft interred with their bones." The healthy, happy, frank appearance of the school children, and the interest evidently taken in them, more or less, by all present, bore sufficient and impressive evidence of that wise benevolence and foresight that prompted the late Sir Henry and his noble wife to the establishment of an institution which thus, twenty years after its foundation, must be regarded as one of the most admirable and useful in Western India.

If we needed excuse for making thus prominent reference to this pleasing anniversary, we might find it in the circumstance that during the twelve months just closed a far larger number of Indian residents than at any earlier period must, through the volumes of Sir Herbert Edwardes and Mr. Merivale, have become intimately acquainted with the character of Sir Henry Lawrence and the Honoria Marshall so worthy of him. In its pages they will have learned how, in the tenderness of conjugal intimacy and oneness of aim, the conception grew which afterward took shape in the Mount Aboo and other similar institutions for the tuition and shelter of otherwise forlorn and friendless children of military and other European parentage. Let us trust that the founder's name and character will be more and more honoured by liberal contributions from all parts of India towards perpetuating and improving the institution with which his name is associated.—*June* 30, 1873.

A DEPARTING BENGAL RULER.

THE duty has not been laid upon us of expressing any very exact estimate of Sir George Campbell's course as Lieutenant-Governor of Bengal, and as his career in that position is, in all probability, far from being closed, we need not take upon us the task of summing him up before the time. Some of his measures we have criticised, more especially those which remind one of his old foible of plunging into the midst of subjects about which he knew least, and pronouncing most positively on those to which he could have given but little consideration, and in respect of which his idiosyncrasy rendered his consideration of little value. It has been our part to look on from a distance, as amused, rather than seriously interested spectators. So long as he has avoided experiments which might imperil the peace of the country, and has only grieved or irritated sleepy officialism, and alarmed no more formidable class than a pampered and artificially created landed aristocracy,

Bengal critics have been sufficient, if not more than a match, for the Knight of Belvidere. To many in that Presidency he might be "an uncomfortable wind of God;" but it had long been felt in the rest of India that some visitation of the kind was sorely needed in Bengal. Alike in capital and mofussil, in district and Secretariat, a thorough rousing was required in that Presidency; and few will doubt that this purpose has been effected. . . .

The recent threatened judicial revolution, which, notwithstanding the protest of the High Court, seems likely to result in the institution of a distinct judicial line "at reduced prices," is a case in point. Although there has not been time yet for the institution of a separate and voluntarily elected judicial branch of the Bombay Civil Service to work its way through to completeness, yet to discuss the principle of such separation would on this side of India be regarded as idle and superfluous. Sir George Campbell is a scribe who makes use of his opportunities, and in the mass of minutes and letters on this subject sent in from all parts of India, many of them from Bombay, on which Mr. Fitzjames Stephen's treatise was founded, there were abundance of arguments which afford irresistible condemnation of the loose condition of the district judicature in Bengal. It is confessed that men drift on to the Bench, attracted thither by the rather better salary attached to that position than to revenue work; and we need no longer wonder that such "Judges," like some of Malda and Patna within the last three or four years, could, under propulsion from a craze in high quarters, accept cart-loads of depositions from police and spies, and treat such rubbish as "evidence." Had not Bengal and its Civilians been lulled into a chronic state of somnolency, it would not have been left to Sir G. Campbell to point out the absurdity and mischief of an improvised and amateur mofussil judicature.

And now we see how an inherent defect of the Lieutenant-Governor crops up. He has got hold of a good idea, no matter where, and proceeds at once to thrust it into the existing order of things, without due consideration whether circumstances admit of the new idea finding conditions in which it can exist and have its being. The ardent Caledonian ruler is constantly putting new wine into old bottles; but, nothing daunted when the vessels crack and break under the unwonted tension, he merely "resolves" and "orders," which is, in effect, equivalent to calling out, "Stitch 'em up." Thus, when he found that the other, the revenue or miscellaneous branch of the Service, might become envious of men who become Judges whether possessed of judicial ability or not, he hits upon the device of fever doctors of the old school, and, with regard to his new line of Judges, writes: "Keep them short." His Honour thinks that his judicial branch can thrive well on abstinence, dignity, and a lingering gaze towards the Calcutta High Court Bench, which not one in thirty of them may reach. . . . As to the audacious remark that "a High Court Judge (on the Appellate side) has little wear and tear of body and mind," that in their Lordships' career there "is no hurry or high pressure, and no excessive hours of labour," there will not be wanting those in Bengal who will meet all this by an *argumentum ad hominem*, to wit—first, his Honour speaks from his own experience, which is thus shown to confirm the more disparaging estimates held as to his value as a Judge when on the Bench; second, that as Sir George Campbell is notoriously deficient in the judicial faculty, he can have no adequate conception of the labour that is required to make a Judge, or the strain that is needed to keep him up to the high water mark of his vocation when on the Bench. Altogether, we are inclined to think that this *tour de force* in the judicial line will prove to be the most serious mistake that Sir George Campbell has committed during his career as a ruler. Other measures have excited far louder clamour, but that has often been so much the worse for those who clamoured. In this instance, we conceive that the essential misconception of the subject matter with which he was dealing, and the grave errors committed and defended in dealing with it, will decide many thoughtful minds against the Lieutenant-Governor, though, because of their strong desire to see Bengal roused and reformed, they have as yet hesitated to cast an adverse vote.

There is another subject in regard to which the impetuous and essentially one-sided mind of Sir George Campbell has hopelessly committed him. We refer to his almost unctuous letter to the Bishop of Calcutta. . . . That pseudo-missionary epistle from Upper Assam is full of points inviting the keen criticism of either the cynical "heathen" or the earnest Christian who believes in the self-sustaining power of his religion; but, for our part, we have only to regard it from the politician's point of view. From this standpoint it seems very plain that the officer who could pen and defend that document, as we suppose Sir George is prepared to do, can never expect to hold any place in the Supreme Executive power either at Simla or Westminster.—*July* 10, 1873.

INDIA DOES NOT WANT HIM.

THE proposed appointment of the quondam Australian politician, Mr. Lowe, as Secretary of State for India, struck every one here as such an unlikely thing, and as implying, on the part of the Ministry, such an utter disregard, not to say contempt, for India, that the press in this country has justly treated the matter in somewhat corresponding spirit—that is, as an irremediable insult to be endured in silence. We were glad to see, however, that not only the *Overland* but the *Homeward Mail*, as an exponent of Indian opinion at home, spoke out whilst there was a chance of the mischief being averted. Happily, the revolutionary blast has blown over for the present; but we take advantage of the incident to quote from our home contemporary's article on the subject a passage which relates to a baneful declension in those political manners and in that official suavity which are as oil and wine to the constitution of States. . . . . .

Here is another view of the threatened intrusion into the India Office by the cantankerous Albino, which we may as well here quote from the *Spectator* in order to express our dissent thereto: "As for the departure of the Duke of Argyll and the nomination of Mr. Lowe as Great Mogul, both might be improvements, for the Duke is believed hardly to care for his official work, while Mr. Lowe understands India, and will spend his intellectual acerbity in snubbing his Council, who can bear it, and not in snubbing the Viceroy, who cannot." That daring phrase, "Mr. Lowe as Great Mogul," the irony of which is clearly unintentional, comprises as striking an antithesis as could well be devised. Mr. Whalley as Pope of Rome would scarcely be more congruous; and when the *Spectator* speaks of Mr. Lowe understanding India, we must suppose either our contemporary's memory or crave for effect has betrayed him. It is granting something that the Viceroy is not to be snubbed by this man, who, though humiliated before the House of Commons, confesses before the Sheffield Cutlers that he has no sense of shame—an Ishmael, and a Bohemian of acrid disposition and Mephistophelian type. Think of a man like that in charge of the India Office for six months! Think, too, of this returned Australian "snubbing" General Baker, the masterly accountant and engineer; or "chaffing" strong, ripe politicians like Sir George Clerk and Sir Robert Montgomery; or "sitting upon" the sagacious Sir Henry Maine! The very notion of such a possibility is detestable, and comes into the usually elevated arena of Anglo-Indian politics like a whiff from the Paris Commune. Surely, we are not coming to this! But it might as well here be said that, with a certain difference in colour and personality slightly in favour of that other insurgent presence, Mr. Ayrton, we should be inclined to write something in similar strain had there been persistence shown in the suggestion that he also might vault into the throne of the Great Mogul.

Let, then, these phantasmagoria pass like an evil dream; but what is the painful waking thought that follows? Why, this—the rising aristocracy of England, the governing class, born to rule, and furnished with every appliance that wealth, culture, and the tradition of public responsibility can confer, are deplorably indifferent as regards India, its politics, and possibilities. This is England's loss as much as India's—the transient personal gain arising from this unworthy abnegation, becomes that of political adventurers, keen-witted pretenders, and hungry, tenacious placemen.—*Sept.* 29, 1873.

MR. DISRAELI AS INDIA'S FRIEND.

MR. DISRAELI is one of those few English politicians who possess the gift of unexpectedness. True, he often exercises this faculty or privilege at the wrong time, and in such odd fashion, as in the case of the Bath letter, as raises the laugh at him all round. This, however, produces no effect on the imperturbable countenance of the Caucasian lord of Hughenden Manor, who knows that his next hit will obliterate all remembrance of his chance failures. This is the case in regard to this wholly unexpected manifesto on the Behar famine, and of which M. Reuter has given us a copious though not very skilfully compiled summary. It is not to be supposed that the farmers of Buckinghamshire cherish an anxiety for the salvation of the Bengal ryot stronger than that which is felt amongst the commercial and professional classes who do know a little of India. But, of course, Mr. Disraeli was speaking to the whole public and the press; and if we accept his utterance only on the low ground of its being a party

move, it is so well timed and skilfully calculated in its bearing on the contrast between his own and Mr. Gladstone's party, that it shows artistic and tactical skill of much pith and moment. No one will think that Mr. Gladstone is deficient in conscientious regard for India as compared with other portions of the British Empire; but he has been unfortunate in his Indian Secretaries. The Conservative leader, lest, perhaps, he should be thought to cherish any feeling about the alleged threatened recall of Lord Mayo in 1869, goes out of his way to express confidence in Lord Northbrook's personal capacity for dealing with the present crisis.

The course having thus been cleared, and the public feeling about the famine having risen to summer heat, Mr. Disraeli proceeds to show, by contrast, what a grave blunder and serious fault the Whig Under-Secretary committed when at Elgin, the other day, he dismissed the Behar distress in a cursory passage of his pretentious oration. From the financial bearing of portions of the Conservative leader's speech it is also highly probable that his attention had been drawn to some of the censures, in our own and other journals, passed on the political and intellectual callousness manifested by the Duke of Argyll's recent policy. We refer to his Grace continuing to draw, for months together, nearly a million and a half from India, whilst the ruling rate of exchange rendered that process unprecedentedly expensive, and when it was very uncertain what the pressure on the Indian Treasuries will be. . . . . .

We have alluded to Mr. Disraeli's chartered freedom in the way of political suggestion and prediction. It was only to be expected that he would take some means to discount the flattering financial programme of his opponents. But in doing this, it seems to us that he has, perhaps unconsciously, displayed a sweep of financial prevision which, if it can be corroborated in his administrative policy, may result in immense service to this country. But before specifying to what we refer, it will be convenient to quote here the following remarks made by our Calcutta contemporary, the *Englishman*, in noticing our recent criticisms on the financial policy of the present Secretary of State: "The *Times of India* seizes the Duke of Argyll's resolution to reduce the amount of his monthly drawings on this country as an occasion to descant on the cruelty of the policy which, in spite of unfavourable exchange, persists in draining India of funds for which it makes no material return, and hopes that some influential and thoughtful politician at home will be led to look into the subject. The remedy is not very easy to see. Our contemporary seems inclined to look for it in a division of the burthen. But what House of Commons would consent to this?" We shall be told, perhaps, that the Conservative leader was only speaking of the temporary necessity of meeting the charges likely to be incurred in relief of the famine; and that "the claimants of much more powerful character" for whose benefit Mr. Gladstone's proffered surplus may be reserved, are the perishing ryots. It may be so; but we give Mr. Disraeli credit for a more thorough knowledge of the financial relations between England and India than would be indicated by that superficial interpretation of his speech. If we read his utterance to imply that the surpluses on which secure and prosperous England can count should be made available for this long overdue claimant—not on her bounty and generosity, but on her justice—then two of our Calcutta contemporary's queries are already more than half answered. The remedy for the impoverishment of this country by that withdrawal of capital which is inevitable under the present one-sided financial arrangements, is "very easy" to see and state—England must share the burden, as she has always done with the colonies until their allegiance is almost thrown off.

As to the query, what House of Commons will consent to this? we should have been inclined to say the Parliament of 1880 or 1884. But now that Mr. Disraeli, with his fine audacity, has distanced every other statesman of the day by pointing to India "as a more powerful claimant" for spare surpluses than are any of the "comparatively miserable interests" which annually besiege the Chancellor of the Exchequer, we might even hope that the new House of Commons will live to break in upon the unmitigated selfish policy which has ever dominated the conduct of English politicians to this magnificent dependency of the Crown. Some figures which we give in another column suffice to show, in terms terribly clear for those who can read the handwriting on the wall, that it is high time a deliverer for India arose amongst English statesmen. Mr. Disraeli may be his herald, and we do not care on what side of the House he will sit.—*Feb.* 13, 1874.

MR. BRIGHT AND MR. FAWCETT.

IF anything could console the Liberal party for their signal defeat in the elections, it is the triumphant review of political progress in which, at his own unopposed election, Mr. Bright placed all the ameliorations of the last thirty years to the credit of those, of whom, like Mr. Gladstone, the famous tribune has been the chief stimulator and propeller. In like manner, too, we might say that if anything can compensate India for the loss, temporary we trust, of the "few though fit" of her steadfast friends in last Parliament, it is the telling declaration by Mr. Fawcett in regard to the Bengal famine. He sounds the alarm by hinting at what would be the dire consequences of the dearth if the case should turn out worse than now apprehended, and if the utmost possible exertions are not put forth to meet the occasion. He points with indignant scorn to what happened in Orissa in 1866, when 750,000 persons perished from want, and only 7½ lakhs—exactly one rupee per head, by the way—less than the cost of "a country house for a provincial Governor," was spent on the public efforts towards rescuing that starving population. . . . But extremes meet; and the philosophical Radical of Brighton would hail with delight the suggestion made a few days later by the Conservative leader, to the effect that it would be a far nobler course to devote the five million surplus to the salvation of the perishing claimants in Behar, instead of frittering it away on the "miserable interests" which clamour for fiscal relief at home. Possibly this keynote, struck by the defeated Brighton candidate, may have promoted that remarkably large and generous view of Indian necessities since expressed by the Premier nominate.

That the papers contain so few of the election speeches by Anglo-Indian candidates may be partly owing to the circumstance that most of them are before remote constituencies, a majority of them being in Scotland. Still, distance does not prevent the portion of Mr. Grant Duff's Elgin speech being reported, in which he vindicated the course adopted by Lord Northbrook and Sir Richard Temple. It would have been just as easy to report some notable passage from the speeches of Sir George Balfour at Kincardine, Mr. Farley Leith at Aberdeen, the Hon. Robert Bourke at King's Lynn, or, still more easy, Sir Charles Wingfield's at Gravesend. In this respect we think the two overland Indian weeklies have committed an oversight in their sub-editorial work of February 6.—*March* 2, 1874.

AN ABORTIVE MANIFESTO:

"GIVE UP—BE BLOWED!"

FROM the Harrow Dinner given in Government House, Calcutta, the proceedings at which have been reported during this week, will date the now rapidly-descending course of the Lytton Viceregal *regimé*. The friends of Lord Lytton can never complain that he has not had a fair chance to secure and retain public esteem. His address on being inducted into the splendid appointment of Governor-General of India, though it sounded as if pitched too high for this work-day world, was accepted as the fervid but sincere utterance of the poetic mind all but overwhelmed with the vast responsibilities which more commonplace men are slow to realise. The oratorical character of the new *regimé* was maintained in a series of ornate valedictory speeches with which his Lordship honoured various retiring Councillors, including such very sober folk as Sir Henry Norman and Sir William Muir. Whilst those of us who knew these old Indians well, felt gratified that their long-obscured merits should thus be blazoned abroad, it has been suggested that Lord Lytton was only disguising in poetic periods his secret satisfaction at getting rid of men whose experience and weight of character would have served to fetter him in the reckless political game he was bent on playing. This surmise has been notably confirmed by the emphatic protests which both the men just named—in company with all others who had held responsible office in India—have recorded against the disruption of the natural and political boundaries of this empire, which revolution, as is now disclosed, Lord Lytton came out to effect.

But it is of the Harrow speech we have now to speak. Seldom has any post-prandial oration been received with louder plaudits, never has politician's manifesto more signally

failed to provoke outside response. It is difficult at first sight to see why Lord Lytton should complain of having to tread the "thorny way of hostile criticism and obloquy." The aggressive policy, which he came out with secret instructions to put into operation, has been greeted with enthusiasm by the majority of the Indian Press—more than one daily journal having broken loose from its own traditions in order to support the wild-goose chase across the Suleiman. His Lordship has the delight of seeing the whole of a circus audience rise to him by way of political rather than personal demonstration. Still His Excellency is not happy, except as in the character of an injured and misunderstood politician, a martyr to public duty—on £24,000 per annum. And, as we have intimated, this last bold bid for public sympathy has missed its aim. Even in Calcutta, the daily there which has backslidden from its old standfast policy and allowed itself to become a convert to the destructive scheme of the day, seems to have been recalled to conservatism and common sense by this unhappy Harrovian oration. In reference to Viceregal complaints of hostile criticism, the journal in question thus corrects the inexperienced placeman: "It is scarcely accurate to say that there has been more criticism on Lord Lytton than on other Viceroys. The attacks on Lord Lawrence were more frequent, those on Lord Mayo more virulent, those on Lord Northbrook more elaborate. The difference is that the blame cast on the present Viceroy is more authoritative." Just so: almost every man whose antecedents give him a right to speak on behalf of India has condemned the revolutionary scheme to which, at one moment, Lord Lytton alludes in mysterious terms as being based on occult justification of which he holds the key, while at another time we are asked to exonerate him entirely, as he is only the humble and obedient servant of Lords Beaconsfield and Salisbury. But the criticism against which Lord Lytton chafes is far more comprehensive than that directed merely against this assiduously-sought Afghan war. As the Calcutta journal we have just quoted remarked, it was the leader of the Opposition who denounced Lord Lytton as "all that a Governor-General of India should not be." In that passage Lord Hartington, whatever was his incitement, surpassed his own usually half-hearted and halting temper. No one had given him credit for any close study of Indian needs: but this sudden stroke was one that went home; and, to every one who does realise what those needs are, it threw an electric light along Lord Lytton's brief career in India which revealed all its ominous, if not fatal errors. His Lordship's assertion, in that humiliating debate on revising the Vernacular Press Act, that "in India the only authentic source of information is the Government," was not only a note of inexperience, but betrayed an invincible incapacity for seeing below the surface of Indian affairs and conditions. . . . . .

In one passage of this ill-starred Calcutta speech, His Excellency affected to contemn "gentlemen who have no practical knowledge of the facts, or conditions, or principles of Indian finance, (and who) tell us that our financial prospects are desperate." Expressions like these rouse the scorn of men who only recognise in them the efflorescence of the veriest political griffinage; and it has long been plain that Lord Lytton will be a griffin to the end of the chapter. It is obvious that he does not possess the faculty to realise any of the essential facts of Indian finance and fiscal policy. . . . In spite of the veto recently put upon the design for building a Palace of Art on the remote mountain top of Simla, the local authorities, eager enough to foster the Viceregal whim, have succeeded in devoting many thousands of pounds to the construction of roads —over and above the now notorious pony carriage drive—which it is trusted will, by-and-bye, compel the building of the forbidden palace. And, since the present *regimé* took possession, the long-repressed schemes of jobbery and lavish outlay have been proceeding at a merry pace—water works and drainage on plans suited only to wealthy urban districts have been pushed forward; and when it has been found that the petted R.E.'s and amateur architects have not the experience to grapple with the all but insuperable difficulties of these misplaced designs, they have been sent to Europe on deputation allowance and heavy public expense to learn their trade. It is the wantonness of these Sardanapalus-like projects that has evoked "hostile criticism;" but the general misdirection of public works policy elsewhere in India is only the natural counterpart of that flagitious extravagance devoted to narrow and personal purposes. Impetus is given to costly military works, and to big railways to be pushed through districts where they can never pay—like the Sinde desert—while urgently needed works for water storage are fumbled over and deferred, district roads, water-courses, and wells, though needed to

keep the ryots alive and save or distribute the crops, are peremptorily stopped or checked in the poorest and most arid tracts of the Deccan and Madras. . . . . .

In any case Lord Lytton will be unable to boast that he has not bequeathed so much as a financial difficulty for his successors. His monument will be a mountain of debt, "loss by exchange," and fiscal perplexity, such as Indian administrators have not had to contend with since James Wilson had to be sent out to assist even the strong men of those days to set right. Who the strong financier and the clear-headed statesman is whom fate has decreed to send to grapple with and subdue the difficulties that Lord Lytton has contributed to the Indian problem, no man can tell; but come he must. It will not be yet: for his jaunty Lordship, having taken his stand on the now classic declaration of Azy Smith, will see the coming man "blowed" first, rather than surrender a day sooner than April 12, 1881. Therefore things in India will be worse yet ere they are better.*—*Feb.* 8, 1879.

II.—His Excellency the Governor, having the important function to discharge of being the last in India to stand in the relation of host to Earl Lytton, has again visited his capital. He came on Thursday forenoon, taking up the quarters at the Secretariat, so as to place Parell fully at the disposal of the departing Viceroy, Countess Lytton, and suite—these last making up rather a numerous party. Every effort has been made by the local authorities—doubtless pursuant to Sir James Fergusson's wish—to elicit some semblance of a public demonstration; and, as the weather cleared up a little this forenoon, something like a decent semblance of modest valedictory ceremony was attained. Lord Lytton embarks in storm and cloud; but these atmospheric disturbances are trifles light as air compared with the storm, that as yet owns no ruler, which his gay lordship let loose in Afghanistan, and the heavy clouds, "rolling dun," which that storm is drifting over India and its future. But we are all human; and ere this the Earl of Lytton, Baron Knebworth, will be in a condition that must claim the deep commiseration of every one who can feel for a fellow-creature, be he king or kaiser. It is very hard on Lady Lytton—who leaves nothing but pleasant memories behind her—that she has to be sent through the monsoon waves.*—*July* 3, 1880.

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* These Extracts are from the *Bombay Review.*

2.—PUBLIC WORKS—IRRIGATION, RAILWAYS, ROADS, HARBOURS.

BARRACKS AND BAYONETS—OR, ROADS AND RESERVOIRS.

THE retrospect of seven years' Indian history blended with warnings as to our immediate future prospect, furnishes suitable topics for leisure thoughts. Were this not a subject of such permanent interest, it might seem out of date now to refer to the *Friend of India's* article on "The Lesson of Seven Years' Peace" which we reproduced a few days ago. With the statement of fact in the opening sentence of that article we fully coincide:—"The year closes in India in profound tranquillity and enjoying ever-growing prosperity." It is, however, scarcely needful to say that we widely differ from our contemporary in estimating the best means to secure for future years the tranquillity and prosperity of the present day. We cannot here follow him through such an historical retrospect as would be required in order fully to controvert the "lessons" drawn from his mere chronological and, as we should say, superficial review of events. Yet it is, we think, easy to see that the *Friend of India*, in seeking to draw ominous warnings from the Afghan War and the Mutiny, has overlooked the necessity of sequence between cause and effect, and has endeavoured somewhat hastily to graft upon the tree of Indian history events and occurrences the growth of which in our affairs was parasitical and abnormal. It will be remembered, for instance, that Colonel Pelly, in his comprehensive retrospect of Indian affairs that lately appeared in the *Fortnightly Review*, expressly speaks of the Afghan War (of 1839-42) as "marking the date of political disturbance in the British-Indian States, to be followed presently by disturbances not less vital in its social and commercial systems." The *Friend* may be verbally correct in adopting the familiar date here spoken of as marking an era of war following one of peace, but what has that to do with the origin of the Afghan War? . . . . . .

That wanton and, one may say, wicked interference with the even tenour and healthy progress of British India came entirely from without. It was forced through or upon the rulers of this country, in spite of the counsel and remonstrances of the best Indian statesmen. Now, if the *Friend of India* thinks it likely there may again be in power at home such a mad-cap Cabinet as any would be that should send our armies "across the wall of our garden of Hindostan," why, then, its warnings may be needed. . . . . .

Where, then, is the value of the warning so gravely put forward by the Serampore journal? The article, as usual, is well written, and as a summary of Indian social statics, it forms entertaining reading; but if the logic is so faulty, why should we take our lesson of the seven years from the *Friend of India?* Let us quote it again in a compact sentence:—"The twelve years of sound reform which were followed by the Afghan War, the four years of brilliant administration which were succeeded by the Mutiny, make the period of peace through which we are now passing speak to us with a warning voice." As we have endeavoured to show, it is not "the period of peace" which speaks to us with a warning voice, but it is the Afghan War and the Mutiny; and how any one could

so read history backwards as to make such a substitution as the *Friend* has done, passes comprehension. That journal refers with complacency to the maintenance of a force of 68,000 troops in this country; but fears that the English power is no more than safe with such a force "even when officered, equipped, and commanded on the very best system." Such fears, we quite agree, may be justifiably cherished by those who regard political strength and material force as synonymous terms. Indeed, there is no practical check to the warnings prompted by such fears, as was seen at home a few years ago, when the invasion panic could not be "medicined" until it ran itself out into absurd proposals worthy of the beaver-like intellect of the Chinese. The *Friend* puts its faith in "the best military system" as the sole guarantee of all that we comprehend under the term British civilisation in India, but trembles, after all, lest, when a few pins being loose in such a fragile machine, chaos should come again. There need, then, be no wonder at the chronic political hysteria displayed by our Calcutta contemporary; but without being "sciolists" in any wise, we confess to a more robust faith. If asked, what in our view is "more than sufficient for the defence of that splendid temple of civilisation which the English race has been slowly erecting in India during the past century and a half," we answer—more civilisation. The spectacle which was witnessed at Nagpore during the first week of the new year suggests a compendious commentary on our simple recipe for keeping the peace. To that we should wish to add—let the civilisation of India, if possible, be evoked from within and not induced from without.

The great objection to the bayonet-and-Armstrong recipe for securing "the peace and prosperity of the Empire" lies in its being so directly calculated to defeat the end desired. Referring again to the Nagpore Exhibition as an illustration, there can be no question that, broadly speaking, all other civilisation in India is at present waiting upon the progress of material improvement. Now whilst 70,000 European troops are maintained in India, no material improvement can go forward on a scale sufficiently large, or at a rate sufficiently rapid, to have any definite effect on the political fortunes of the country. Dispense with half of that incubus on the expansive forces of the Indian Empire, and during the next seven years such organic works of communication, irrigation, and harbours might be carried out as would cause this vast peninsula to teem with plenty, so that all races within our boundary would vie with each other in fervent attachment to the British rule, and India would be as impregnable and its government as secure as that of England. But we cannot have this prospect fulfilled so long as we maintain an army of anything like the present magnitude. To secure the best guarantee of political and social security, we must dispense with 30,000 or 40,000 troops, and before we do that it seems necessary that some people should get rid of their fears, and that may best be done by purging the political conscience.

There is one warning which we must heed in reference to this question. This costliest—and, as we think, most untrustworthy—guarantee for security is of such a nature, that it can only be retained at an ever-increasing expenditure of national forces. The sooner our statesmen begin to divest themselves of traditional and fanciful apprehensions, the safer it will be for India and the more satisfactory for the people at home. We cannot go on many years as we are doing in this respect. The following remarks on this topic, penned soon after the Mutiny, have only acquired additional force in each succeeding year:—

> We must not think of garrisoning India, but of governing her. A continent held against its unwilling and awakened inhabitants, by the physical force of foreign soldiers, even if the notion were not indeed the bloodiest of chimeras, could never be anything but a source of weakness and expense to the dominant nation. In England we cannot afford to *recruit*, in India we cannot afford to *pay*, a much larger force of English soldiers than that which was in India when the mutinies commenced.

Jan. 12, 1866.

IRRIGATION—WISE COUNSEL, PALTRY PERFORMANCE.

THE complete set of elaborate papers on Irrigation Works that were published about a year ago were welcomed, as marking a very definite stage of progress in regard to the oft-discussed question of how to supply India with adequate Public Works. The foremost Indian statesmen, and our most experienced officials, nearly all of whom contributed to the set of papers, had then arrived at a tolerably full agreement as to the

financial and political principles that ought to guide the Indian Government in planning great public improvements, and, more especially, irrigation works. The conclusions arrived at, and the maxims laid down, were so simple that it is easy to recall them without reference or quotation. These men, best fitted of any to pronounce on this vital question, agreed:—1. That irrigation works that should be adequate for the long-delayed necessities of India, cannot be constructed out of surplus revenue; 2. That public works generally—irrigation works forming a large proportion of the whole—being certain to increase the revenue, especially the land tax, are most suitable objects to be provided for by public loans; 3. That the income from irrigation works being inseparably connected with the land assessment, its collection from the cultivators could not safely be entrusted to any private companies who might be contracted with by Government to construct such works. On the point, whether public works could be better executed by private contractors or by a Government department, there was less unanimity of opinion, but the inclination of the writers seemed to be towards the existing organisation of the Public Works Department. In the minds of the writers, if they compared the comprehensive conception under discussion with the capabilities of the Public Works Department as it exists, they would merely regard that department as a basis, or perhaps as a controlling or revising power over the vast addition that the carrying out of their minutes would require to be made to the industrial sappers and miners of India. One of the writers, Sir Robert Napier, impressed with the practical urgency of the great works before them—probably, also, with commendable simplicity, expecting that the work would forthwith be set about—remarked, that some public intimation should be given at home as to the number of civil engineers, surveyors, and assistants who would shortly be wanted in India. Altogether, the perusal of those papers left an impression on the public mind that at length all preliminary difficulties had been set aside, and the new era had arrived when reproductive public works would be spread through the length and breadth of this half-cultivated but fertile realm. . . . . .

No one supposes that much, if anything, could have been done since last year to stave off famine from the parched fields of Lower Bengal, Orissa, and those parts of Madras where drought has prevailed; but announcements and preparations might have been made which would have inspired people with reasonable hope for another year, and would at least have kept our Indian statesmen in countenance. . . . . .

Had we an energetic and zealous Executive either in India or at home, something like this would have been done. Had the Supreme Government here only acted in the spirit of, and according to their own minutes on this subject, they might easily have wrung from the Home Government the permission to announce the needful loan. On the other hand, had we an energetic and zealous Indian Department at home, the Supreme Government would have been driven out of the old narrow ways in which—judging by the style and scope of Colonel Dickens's little circular—the Public Works Department is still to drag painfully along. But if our Indian Governments in their official and corporate form are inept and incapable of grappling with the greatest material want of India—if they, as Governments, shrink from taking the necessary step between established theory and practical action—there is no reason why all the individual members of our Councils should willingly remain as if under some spell of incapacity, and as if, for any practical issues, they shrink from revealing any trace of originality which gleamed here and there in some of their irrigation minutes. Sir Bartle Frere, as everyone knows, has the pen of a ready writer; and if he cherished high political self-respect like most of the public men at home, he could have expressed his own strong feeling against the conspicuous neglect of the State-papers to which he was so prominent a contributor, and he could have done this with an argumentative force which might have sufficed to dissipate the indifference in which this great question is again enveloped. Sir John Lawrence, too, has firmness enough to give effect to his own decisions—sometimes, indeed, for serious mischief, as in his vote for the overthrow of the Mysore kingdom—but even Sir John has not had the political manliness to re-assert the convictions of himself and his peers in regard to the question that, of all others on which agreement has been obtained during his Viceroyalty, has the most direct bearing on the permanent material welfare of India.

We are not unmindful, however, that there was "a lion in the way" of the writers of the irrigation minutes which none of them seemed disposed to face—one which will stand in the path of Indian material progress until a knot of statesmen arise here who, on Indian

questions, will prove themselves a match for the Cabinet and Indian Secretaries. The "lion in the way" to which we allude is, the denial by the Home authorities of the right of our Supreme Government to enter the loan markets of the world, and especially that of England. The experienced writers of these important minutes of last year all agreed that irrigation works, to be of any general service to India, must depend for their construction on funds obtained from public loans, and that any possible "surplus" revenue is quite inadequate for such a purpose. The writers all agreed that only by means of borrowed capital could the State accomplish the great work—in favour of which they gave such excellent reasons that the question of utility is finally settled—yet not one of these men, so far as we remember, dared to point out that such borrowed capital is artificially and perversely excluded from India. For some reasons or other—never adequately stated, much less justified—this country, rich in raw material and labour, but poor in capital, is denied access to the money markets of Western Europe, where the Supreme Government might obtain funds for judicious expenditure in reproductive public works. Such an outlay would change the face of immense tracts of this country; and the returns from it would, in a few years, alter the whole aspect of Indian finance. No Indian taxation that could possibly be devised would produce funds for this great work. . . . . .

It is possible, after all, that this little circular, so insignificant in its scope and so very "limited" in its terms, may be a blessing in disguise. The new Secretary of State, Lord Cranborne, may be harbouring the ambitious design of connecting his name with a comprehensive scheme of Indian irrigation works; and the Supreme Government, feeling it needful to check the extensive projects of the subordinate Governments, may have only adopted the "one-fourth of the present budget grant" restriction by way of a temporary device, soon to be withdrawn as the ground plan is disclosed. These things *may* be so; and if it should so turn out, all India will be greatly rejoiced, but still surprised.—*May* 17, 1866.

WATER STORAGE—LOCALITIES AND MODES.

CONSIDERABLE general agreement has of late been attained between influential public men, both here and at home, with regard to the leading principles under which public works in India must be promoted, regulated, and maintained. The imperative necessity that is ever felt throughout the length and breadth of the country for the construction of permanently useful and reproductive works is now admitted on all hands. There is also another advance in public opinion, one of far more practical importance than the attainment of any agreement on the abstract question. It is the admission that the investment of State or borrowed funds on reproductive or beneficial works, is an investment of capital which can be justified on grounds altogether irrespective of the chance amount of surplus revenue in any particular year. . . . . .

Thus it is that the terms of the great question are now understood; and, fortunately, it is at this stage in the discussion that by common consent all interested in the matter have come to regard water conservancy—both for purposes of irrigation and internal transit—as the first and most important of all public works in India. It is not that the great object of water conservancy is to stand in the way either of completing our main lines of railway or persevering with the construction of common roads, which are scarcely less necessary than irrigation for our tropical cultivation. We may be reminded that the Government of India have already executed and promoted some noble irrigational works; and certainly we are glad to acknowledge this, although we believe that only two small bunds have been constructed with Imperial funds in this presidency. The Ganges Canal, with nearly one thousand miles of main canals and great branches, and irrigating already some 600,000 acres, is a noble work,—notwithstanding that more than half a million sterling will have to be expended in correcting the miscalculations of the military engineers who planned its construction. The Eastern and Western Jumna Canals, with an aggregate course of 1,185 miles, are more successful than the leviathan canal, and yield a steadily-increasing if not a remunerative return. It is only needful to mention the Madras Presidency to be reminded how in the deltas of the Godavery, the Kistna, Coleroon, and Cauvery Rivers, water conservancy has attained a financial triumph, and its amazing reproductive value has been abundantly demonstrated. Nearly half a million has been expended or sanctioned on the project of making the upper courses of the

Godavery navigable in the cotton-producing districts of Berar, but none of this expenditure conduces to irrigation, though we believe this object is to be attained at the highest weir, according to the plan proposed by Major Haig. . . . . .

As yet scarcely anything has been done to control or utilise the impetuous floods of Indian rivers on their upper courses, or in their natural catchment basins. The rolling torrents that each monsoon scour down every nullah, are wasted more or less in every province of India, and countless millions of tons of water intended by Providence to compensate for the torrid heat of our climate are allowed to run to waste year after year. The heaviest rainfall is necessarily on the Ghats and in other mountainous districts; but at the scarps and on the declivities of all those ranges nature has formed the most wonderful *enceintes* and narrow gorges in which the surplus waters ought to be stored for gradual irrigation of the sublying plains, and for yielding a year-long supply to the nullahs at the foot of every hill range. To take a familiar instance: were this done even to a very partial extent on the western side of our Ghats, the narrow strip of the Konkan, flooded the other day like a sea, but usually parched to sterility during a large part of the year, might become a fertile agricultural district of incalculable service in providing food for Bombay. The rugged and high-lying district of Mairwarra in Rajpootana was transformed from a barren and poverty-stricken district into a well-irrigated and prosperous country by means of tanks of a very simple construction, such as might be readily adopted in numerous hilly districts throughout India. Each Local Government possesses abundant data on which plans might at once be drawn up for unambitious projects that might be undertaken by village communities, municipalities, or local public companies. The magnitude on which irrigation works have generally been planned or constructed, has rendered it impossible for the Local Governments to undertake them, if even our childish and subordinate system of administration would have permitted such action on their part. The mistaken financial policy of making the construction of such works wait upon the chance supplies of surplus revenue, together with the more serious engineering risk attendant on organic schemes, has effectually deterred the Supreme Government from fairly looking at the subject of irrigation. . . . . .

Something, however, must now be done to save India from these ever-recurring floods and famines, of which we are having so terrible an illustration in Orissa and Behar. The financial difficulty is in a fair way of being overcome; hence it seems very suitable just now to raise the question whether it is wise to continue the policy of regarding water conservancy as work to be carried out chiefly by means of gigantic schemes, which require a protracted series of years for their completion. Without disparaging the project for clearing the upper channels of the Godavery, we may use it by way of illustration, and ask,—Would not a similar expenditure have provided still more valuable results if it had been employed in the construction of fifty ordinary tanks in the Nagpore country, and in the Berar, Nassick, and Ahmednuggur districts, thereby bringing under wet cultivation an immense area of fertile land? . . . . . .

The practical man will say—"This is a glorious prospect, or rather a dream; but it is a question of capital after all, and that can be only obtained very gradually." Granted, that this universal water conservancy must be a work of time; it is not wholly a question of capital, but rather of the direction in which funds should be applied. Our plea is that, as a general principle, the new irrigation capital that is to be called up would be far more profitably employed in the direction we have indicated than, as has hitherto been the fashion, on huge canals and gigantic anicuts. Besides, there is a very practical consideration involved in our suggestion: it is this—the capital expended on the smaller class of works such as we have here advocated, would be in most cases reproductive within two years from calling it up; whilst the larger works require many years of unremunerative outlay, the interest for which must be drawn from the current revenue of the State.—*Sept.* 1, 1866.

IRRIGATION FOR THIRSTY SINDE.

BEING the proper season for so doing, we have recently drawn attention to the imperative necessity of every available effort being made to secure for this thirsty land that blessing—as yet offered us almost in vain—which Providence intends that India shall reap from its annual monsoon rain-fall. All public works have their special claim in

turn, and few bear comparison in practical value with country roads and bridges; but the demand on behalf of works for water conservancy—bunds, reservoirs, and canals—owing to the climatic circumstances of India, is more imperative than all the rest. In order of time, also, water conservancy should precede merely constructive undertakings, for in pursuing that great object we preserve what India already possesses in an annual offer of incalculable wealth, which to neglect and lose year by year is a standing national reproach. Practical illustrations, both of the paramount necessity of this great enterprise and the comparative facility with which it may be promoted, will occur to observant persons in every province of India. No more striking instance of the necessity of irrigational works can be found than that afforded by the arid province of Sinde; and there are certain special circumstances connected with its rain-fall and surface conformation that invite special attention as illustrating the value and striking necessity of water conservancy on the higher courses of streams.

The recent heavy rain-fall that has caused so much destruction in the neighbourhood of Kurrachee, and throughout the whole length of the Sinde Railway, most of which crosses the watershed of the country, has been an exceptional, though not unprecedented, event in the meteorological history of the province. All who travel by the Sinde Railway from Kurrachee to Kotree must be forcibly struck with the great number of dry *nullahs* (water-courses) that are crossed by the line. Two of these, at least, the Muleer and the Bahrun, the former about twelve miles from Kurrachee, the latter about the same distance on this side of Kotree, will be recognised as channels capable of holding large rivers. In ordinary years, when the rain-fall of Sinde has not exceeded the very small average which is usual in that province, the beds of the Muleer and the Bahrun, as well as all the smaller channels, are to be seen perfectly dry for eleven months of the twelve. This may be the case even for years in succession; but the greater width and well-defined banks of those two channels afford continuous evidence that any year a mighty volume of water may rush down them with an impetuosity sufficient to sweep anything before it, as is also indicated by the smoothness of the bed and the perpendicular overhanging banks, often many feet deep. The contrast between the average and exceptional rain-fall of Sinde will explain the usual anomalous appearance of these dry but deep torrent channels. The annual rain-fall at Kurrachee, as calculated by Mr. Glaisher, of the Royal Observatory, on the returns of nineteen consecutive years, is about 5¼ inches. Mr. John Brunton, C.E., in his pamphlet on the Sinde Railway, states the average rain-fall—we believe throughout the whole length of the line to Kotree—for the five years 1856-60 as 4·82 inches. This, it will be seen, is less rain for the whole year than falls sometimes in a single day in most other parts of India.

We have been speaking of the water-courses on the east and north-east of Kurrachee, but on the west of that town flows the river Hubb, in connection with which a very praiseworthy attempt at water conservancy has been made by a private individual—Moorad Khan. This enterprising and prescient man has spent a fortune in constructing a bund across the Hubb for irrigational purposes. We have no particulars before us of the result in this case. Probably individual enterprise and resources, totally unaided by the State, are inadequate for carrying out large irrigational works with success; but there can be no question that Moorad Khan deserves well of the Government for having in these modern days voluntarily acted as a pioneer in the great national work of water conservancy, and that, too, in a province which needs it so much. This exceptional case of private enterprise may be taken as a hint to show in how many varied forms the Government of India may find ways to carry out that grand task of water conservancy to which it now stands committed before the world. It may be taken also as a hint by our native capitalists of Bombay—though for the present the thought may only add bitterness to their cup of repentance—for had they, instead of sinking their cotton profits in ill-advised schemes for reclaiming land from the sea, devoted a large portion of the new capital to irrigational works for agricultural purposes, Bombay would have had a much more hopeful look-out than is the case now. It was indeed fairly to have been expected that the Government should invite efforts in this direction. In almost every collectorate, we believe, the departmental engineers have numerous plans and statistics which could be rendered available for irrigational projects and all kinds of agricultural development.—*Sept.* 17, 1866.

PRAYERS OR ROAD-MAKING FOR ORISSA.

TWO very different circumstances—the holding of a public prayer-meeting in Calcutta, and the occurrence of destructive inundations in Orissa—will have the effect of challenging attention to the original as well as the proximate causes of the dreadful famine now devastating Eastern India. This retrospect need not, especially on this side of India, interfere with the strenuous exertions which are being made to relieve the pressing distress and save alive some of the helpless victims of national neglect. So far as the immediate sufferers are concerned, the destitution under which they sicken and die may be regarded as a mysterious dispensation of Providence, and it is fitting enough to offer up public prayer on their behalf, so that the hearts of those who have abundance may be moved to give freely of their substance. On the other hand, it would but pervert the purposes of prayer, and would cause reverence to degenerate into superstition, if by that plausible method the public mind were to allow itself to be blinded as to the preventible causes which have induced this dreadful national calamity. It may be pious to acknowledge in formal and general phrases the hand of God in this wide-spreading disaster, but it would be irreligious to refuse to read the terms of the indictment which His finger is tracing so distinctly in Eastern India. The famine is the direct result of alternate causes—inundation and drought—and these acting upon a peasantry from whom legislative and artificial arrangements have taken away all beneficiary interest otherwise remaining in the long devasted soil. But those natural causes could have been guarded against, and the dire results avoided, by a proper use of "those means which God and nature have put into the hands" of the rulers of India. We do not now speak of the last few months, because all efforts since last October—when, through "newspaper accounts," the Supreme and Bengal Governments were duly warned of the impending calamity—have been of the nature of relief measures.

We allude to the long-continued and deliberate neglect, during the last fifty years, of those special precautions which are plainly demanded by the physical geography of Orissa. The great river Mahanudee and two other large streams flow through a vast expanse of level country, which necessarily becomes flooded at each heavy monsoon. Were not the volume of water in these rivers sufficient of itself to produce this calamity, the same result would follow from another cause—namely, the pressure up the channels of the high tides from the Bay of Bengal during the monsoon gales. The Chilka Lake also—which separates Pooree, the southern district of Orissa, from Ganjam, the northern district of Madras—is another source of devastating inundations. . . . . .

Meantime Sir Cecil Beadon, the chief ruler of Bengal, dances "at a public ball at Darjeeling," while all the cargo boats engaged in landing rice for the famishing people of Cuttack are destroyed by tempests, and thus the relief so tardily afforded by officialism is again indefinitely delayed. It will be said that the united force of the Supreme and Bengal Governments could not have diverted this storm from the coast of Orissa, any more than they could prevent the first cargoes of rice being blown over to the coast of Burmah. No, we suppose not; but if, instead of it being left for Mr. Secretary Chapman to write at the close of May that the Board of Revenue "did not intend to import rice" into the famine districts, grain had been dispatched a month before that time, the cargoes could then have been landed with comparative facility. Great exertions have undoubtedly been made during the last few weeks, and which are greatly to the personal credit of those officials and others who have put forth their strength. But these exertions have been comparatively futile, simply because the Bengal Government allowed the fine season to pass over; and now fifteen hundred bags of rice have been thrown overboard in the Bay of Bengal, and another five hundred have been swamped at the mouth of the Mahanudee in sight of the famine-stricken districts. Worse even than this actual loss, the whole of the cargo boats by which the grain was just about to be landed on the coast of Orissa have been destroyed by inundation on the river and by storm on the sea. Again, we acknowledge that neither the Board of Revenue, Sir Cecil Beadon, nor his diplomatic Secretary, Mr. Ashley Eden, could have done anything to avert the tempests from heaven which have scattered the fleet laden with relief for Cuttack and the wretched provinces in the south of Orissa. It is useless, however, even in respect of these mere details of the disaster, to speak of it as the visitation of Providence, seeing that in April and May the

Bay of Bengal was calm enough, and several cargoes of rice might then have been sent from Calcutta or imported from Burmah. . . . . .

If it be said, in apology for the Governments of Bengal and India, that they did not foresee the excessive pressure of destitution that was to befall Orissa and Lower Bengal, the reply is as self-evident as it is condemnatory—they *ought* to have foreseen it, and should have been prepared for the worst. Evidence can be culled in abundance from the Calcutta papers to show that ever since the early part of the year great destitution has been looked for. It is mentioned, as one instance of early and definite information, that so long since as last November, a European gentleman, thirty years a resident in Balasore, wrote to the Board of Revenue "again and again," warning that body that a great famine was impending. And it is in this Collectorate of Balasore that the lives of 24,000 attenuated wretches are now barely preserved by means of a scanty daily dole—for there have been one thousand deaths per week—and it is in Balasore where the springing crops have been destroyed by inundations, and yet that district "has yearly paid large sums to enable Government to prevent such inundations by engineering works." If official evidence is needed to prove that the authorities of Bengal were apprised of the danger in time, we must refer to the "official note" from the Public Works Department addressed to the Board of Revenue, and which is evidently intended to shield that body from the condemnation it has incurred. In it is stated that Sir Cecil Beadon, early in December, on the ground of approaching distress, applied to the Supreme Government for five lakhs extra, to be spent on public works. . . . . .

But the fact of sending all the supplies of food by sea, and now this destruction of the miserable appliances for landing the grain, will call public attention to the terribly condemnatory statement that there are *no roads* whereby grain could be conveyed from Bengal into Orissa by land. Calcutta—the City of Palaces, the centre of all the great power we have wielded for more than a century—is only some 150 miles from Balasore, the scene of the most dreadful suffering; and Pooree, at the extremity of Orissa, is less than 300 miles from the metropolis; and yet for lack of ordinary roads the common bullock carts of the country—simple and rude contrivances that have answered their purpose for a thousand years perhaps—could not be sent with supplies into the famishing districts. The starving inhabitants themselves have, without roads, found their way to Calcutta, where they now crowd in alarming density, while it is feared that the south-west monsoon, as it blows over from Balasore direct towards Calcutta, will soon be freighted with deadly pestilence. Notwithstanding this direct geographical contiguity of the famine districts to the oldest and richest province of British India, they are cut off from it for lack of the simplest form of public works—common roads. Can this neglect of our most evident duties be fathered upon a beneficent Providence? In what way is public prayer a remedy for the absence of roads and consequent starvation, unless our supplications take the form of humbling confession and faithful vows to remove the real causes which have invited the calamity?

Putting aside all question as to the causes of the famine and whether the catastrophe might have been averted, it is painfully evident that the Bengal Government and its Board of Revenue have been slow to comprehend the extent and depth of the calamity. Whatever position in argument and theory respecting the province of government it might in ordinary times be suitable for Indian officials to take up, it is very evident that in a time like this they ought to cast European notions of *laissez faire* to the wind. We have seen Lord Napier of Ettrick—who might be expected to incline much more strongly to those notions than would many Indian civilians—throwing aside all squeamish or affected fears as to "drying up the springs of local charity" and turning every agency, industrial, benevolent, and official, to the urgent purpose and relieving the present distress. He has appointed additional assistants, and has been to "see for himself," which he has done in a far more effectual way than Sir Cecil Beadon could do in his flying visit to Orissa, though the necessity is incomparably less in Gaujam than it is in the Bengal districts just within the boundary line between the two presidencies. . . . The best explanation and apology we can make is this: the provinces now devastated by famine—the result of inundation, drought, and isolation—are, of all India, those in which the faults and failings of the old Company's government are most apparent, and also are those where the longest period must elapse before that active sense of responsibility will take effect—which is the best result to be looked for from the transfer of India to the government of Crown and Parliament.—*Sept.* 6, 1866.

LORD CRANBORNE GIVES IRRIGATION WORKS A LIFT.

BEFORE the delivery of Mr. Massey's Budget speech it was sufficiently well understood that the Home Government had determined to promote, as speedily as may be, the construction of the larger class of irrigation works, and to do this—which is the gist of the whole matter—by means of loans raised in the cheap money market at home, instead of depending upon driblets of our surplus revenue. It is also well known that effective aid, either in the way of direct loan or guarantee, has been given by Government to two large Irrigation Companies in Madras and Orissa. In pursuance of the former resolve, we have a new constructive force in the Government of India, of which Colonel Strachey, as Special Commissioner for Irrigational Works, is at present the representative. In consequence of the practical assistance given to joint-stock enterprise—that old enemy of the Public Works Department—extensive canels and embankments are being constructed in Eastern India, works which will form permanent defence against famine, and are already the means of distributing subsistence money amongst the impoverished labourers of Orissa as wages for honest work—the most effective of all relief operations. These facts are well known, and they inspire in many of us a sort of exultation as from the feeling that an irreversible step forward has been taken, and that for India a new path of material development has been fairly entered on.

The letter of March, 1866, from the Governor-General in Council seemed to have taken the breath out of the India Office, for no reply was sent until the end of August—six precious months being lost. The Indian Government had shown its settled determination to carry out its long delayed duty, but the repressive and discouraging influence of the Whig Secretary still stopped the way, although Lord de Grey and Mr. Stansfeld had come in, and it fell to the lot of Lord Cranborne to give out practical effect to the long retarded and thwarted purpose of our best Indian statesmen. In this letter, dated August, 1866, his Lordship notices the objections entertained by Sir C. Wood, merely to brush them aside by fully accepting the refutation so amply supplied by the Indian Government's reply: "After full consideration in Council," he expresses his desire for "the rapid and effective prosecution of irrigational works," and promises concurrence in any well-considered proposals which will tend to promote that object. And yet, in spite of this earnest desire to attain the end, there still clings to the Secretary's letter the old official tone of hesitation about estimates and plans, and he repeats the dogged denial—which must have been foisted into the document by Lord Halifax—that "any delay had occurred in regard to works of irrigation from the want of funds"—although at that very time people were perishing in Orissa by thousands weekly, wholly for want of irrigation works. Nevertheless it is by means of this letter of Lord Cranborne's that at length the end is reached. He acknowledges—and this time to more practical purpose than Sir C. Wood had done—the "marked distinction between borrowing for the prosecution of reproductive works, and for the ordinary purposes of Government;" he then adds the pregnant words—"and keeping this distinction in view, I shall not object to a loan being raised for carrying on such works." And, after a few more official "ifs" and formal objections, his letter concludes thus: "I shall be prepared to authorise such steps as may be necessary for raising any sum that may be required." The Government of India, in their reply (dated Dec. 7), after again pointing out, in effect, that the objections and hesitation of the Home Government had been frivolous and perverse, gratefully acknowledge that Lord Cranborne's assurance "that such steps *as may be necessary shall be taken* to provide funds, removes the difficulties which beset the prospect of the speedy extension of irrigation works throughout India."

In the Governor-General's letter, after naming that £700,000 is set apart for irrigation works for 1867-68, he pointed out the inadequacy of that amount when compared with the sum set aside for barracks. This remark affords an opportunity for showing the parallel, and yet the difference between the work of providing barrack accommodation and that of a complete system of irrigation. The former work—necessitated by the increase of European troops in the country since 1858—is necessarily a limited one, and the greater part of it will be completed next year. When the barracks are all built, there will be more engineers, and funds to spare for irrigation works and all other permanent constructions. The last words of the Governor-General's letter thus state the relative position of these two very different classes of works:—

> But while the provision of improved barrack accommodation for the European troops may be completed at an outlay of 10 millions within a period of five or six years, the extension of works of irrigation will demand a much larger expenditure, and be the work of at least a generation.

It is not perhaps the most interesting task to study retrospectively the closing stage of a wearisome official discussion; but whilst everyone is rejoicing at Mr. Massey's formal inauguration of the greatest revolution in the Public Works system of India, it is well to remember the efforts it has cost to achieve it. Those protracted efforts have for several years been carried on out of sight of the public, but have not been the less earnest and commendable. They would not even now have succeeded in overcoming the *vis inertia* of the India Office had it not been—first, for the dread of an invasion of joint-stock enterprise, and, above all, the occurrence of the terrible calamity in Eastern India. One remark seems to be called for by way of criticism on the elaborate papers of Colonel Strachey and the members of the Indian Government. They appear to keep in view too prominently the circumstances of Hindustan and Northern India, where, although irrigation works may be much needed for distribution, there can seldom, if ever, be any absolute lack of water, as the rivers are all fed more or less from the eternal snows of the Himalayas. On the south of the Vindaya mountains we are wholly dependent on the monsoon rain-fall, and therefore on the south of that great ridge artificial provision for the storage of water is imperatively required—a consideration which, we trust, will be well borne in mind in the appropriation of Mr. Massey's coming two millions.—*March* 11, 1867.

SCAMPING ON RAILWAY CONSTRUCTION.

SOME months ago we endeavoured to trace the origin of the gross defects in construction which were then beginning to be revealed in the works of the Great Indian Peninsular Railway. After making some allowance for the scarcity of trustworthy native builders, and the inexperience of European engineers and contractors regarding the effects of a tropical climate, we showed that the defective state of the masonry works on the Great Indian Peninsular Railway, if not on other lines also, is directly attributable to preventible causes. Whilst faults in design were mainly due to the overweening confidence reposed in one or two persons at the head office at Bombay, the faults in construction—incomparably more serious than the former—were traceable to the blind confidence displayed in the contractors by the Chief Engineers, and the lax system, or rather absence of supervision thereby induced throughout a great portion of the Great Indian Peninsular lines. The District Engineers whose office it was to supervise the construction in detail—though fairly competent, and many of them very zealous men—found themselves no match for the contractors, who were implicitly trusted in by the Agency and the Chief Engineers, whose desire was, above all, to get the line pushed through as rapidly as possible. In face of these tendencies it was vain to expect that adequate supervision could be kept up—more especially as the pestilent sub-contract system was soon in full swing—and thus responsibility for the actual work of construction was dissipated or evaded. The specifications, since shown to be loose and essentially faulty, were frequently disregarded, and all the care exercised was to secure an outside appearance that might be sufficient to satisfy the superficial survey of the Government Consulting Engineer. Vigilant and detailed supervision was not maintained, hence the work is rotten at the core; and bridges and viaducts that would only have lasted a dozen years in temperate climates, have here collapsed in a third of that time. We also pointed out that, notwithstanding the gross defects in construction, the contractors had frequently been able to set both the railway companies and the Government at defiance, and to exact enhanced rates and engagements for extras which run up the aggregate amount to figures as large as those for which tenders by firms of large capital and high standing had been refused. The most serious national aspect of these abuses, as we have often pointed out, is, that there has been lavishly expended on our railway system—outwardly imposing, but inwardly defective—a vast amount of capital which, to the material salvation of India, might have been spent on water conservancy and bridged country roads. As there are thousands of miles of railway yet to be made in India, it is as necessary as ever to call attention to the mistakes and errors that have beset the construction of existing lines, so that, if possible, any recurrence of such gross national waste may be peremptorily prevented.

It is easy to point out, as our correspondent does, that under the guarantee system neither shareholders nor directors have any effective motive for securing economy in construction or efficiency in management. It is putting the case in an extreme form, but it is the fact that an Indian railway "may go to wreck and ruin, and may yield not a single

rupee of profit, yet the shareholders will yearly draw their dividends." Although in the nature of the case a completed Indian railway ought to pay its 10 per cent., the shareholders repose supinely on their secured five, feeling that the whole business is beyond their reach. We trust it will not be always so. . . . There is another important party to the bargain, and that is the people of India, who contribute the portion of interest which the railways fail to earn. There is now a sum of £12,000,000 due to the Indian exchequer for the payment of guaranteed interest, over and above the scant profits made by the railways. The interest of this sum represents at least an annual charge of one million sterling, and though this does not appear in any budget or formal statement, it is really a charge on the earnings of the Indian people, and at the rate we are going on — the Mulla viaduct falling one year, and next year all the bridges on 200 miles of line, besides sundry other slips in Madras and Upper India—it will be A.D. 2000 before this drain ceases on the annual earnings of the people of India. Then, in addition to this interest on payments made in former years, there is the annual charge for interest in lieu of profit, which in 1866-7 amounted to £800,000. We do not dispute that even at this dear rate India is far better off with the railways than she would be without them; but we do contend that a large portion of this drain upon our resources ought to have been prevented, that it is referable to gross mismanagement, and that it is the result of inherent defects in our system of railway construction and management. Where then is the remedy? for we have admitted that none is likely to be provided spontaneously either by the shareholders, directors, or railway staff. We can only come to the conclusion that far more pains must be taken by those who are the legitimate guardians of the Indian tax-payers.—*Feb.* 5, 1868.

RAILWAYS—ECONOMY IN CONSTRUCTION.

IT has been resolved, and by those who have power to perform, that India shall have a large addition to the number and extent of her iron roads. It becomes, therefore, a question of great practical interest, how can this resolve be carried out with the best effect and with the most exact adaptation to the special circumstances of the country. Our railway projectors have hitherto been in almost constant antagonism with our financial authorities; but if engineers would take more pains than they generally have done, to realise the actual industrial condition and commercial requirements of India as it is, there is no necessity for a continuance of this antagonism. Consulting engineers have in almost every respect estimated for works in this country under impressions and maxims gathered in Europe and America. They have looked forward too intently to the time when "increasing traffic must pay," and have given too little heed to the actual minimum returns on which only safe calculations can be made. This attitude, maintained by nearly all engineers towards Indian railway questions, has been especially manifested in reference to the question of broad gauge and all that follows in the adoption of a heavy and costly character of railway works. Having been trained under that system, and finding it adopted on all the great trunk lines of India, they have, on the principle of "nothing like leather," stuck to the doctrines of broad gauge, heavy rails, and ponderous rolling stock, and have seldom, if ever, admitted the practicability of a less expensive policy. Now there is a fair opportunity to revise conclusions as to the style and method of railway construction, and, as intimated several times recently, we shall be glad to do our part to bring about an intelligent agreement between engineers and financiers. We do not suppose that many of the former class are bigoted to old maxims or pledged to the existing scale of lines and rolling stock, and if they frankly accept the present situation, there is in India an excellent prospect for their profession. The present Viceroy, Lord Mayo, starting from the safe ground taken up by his predecessor, is determined that India shall have additional railways somehow; but he is also in unison with his experienced Indian advisers, one of whom defines "somehow" to mean—"by strictly limiting the first cost." . . . . . .

At the time this Minute was penned in 1867, the question of light railways and narrow gauge for India had not been raised, or raised only to be contemptuously thrust aside by the men of the broad gauge school. Lord Lawrence, with all his anxiety to economise, does not advert to such an alternative; but if it can be shown that, of the two to five thousand miles of additional railway now desired in India, more than half can be

soundly constructed at fifty per cent. per mile less than former cost or present estimates, and yet may be made capable of providing for all the traffic they are likely to evoke,—then with what emphasis may these safe counsels of the late Viceroy be quoted on behalf of the great railway reform we are advocating! But there are some difficulties and many prejudices to be overcome; and we wish to proceed, if possible, in the light of experience and with the sanction of professional authority. . . . . .

With regard to the most promising and essential of all these railways, the Rajpootana line from Baroda to Delhi, the report from the Government Engineer, if that is to be accepted, forbids the expectation that the traffic secured will be "of sufficient importance to justify the cost of a first-class railway." If this be the case with one which would be really a trunk line of communication from Europe to Upper India, what chance is there for the revenue in guaranteeing interest on such schemes as the "loop line" for the Deccan; the romantic railway to Darjeeling, which is to give Calcutta another quarter of a century of decaying metropolitan pretensions; or the desolate line from Lahore to Peshawur?

Now, as one instance in which it would be desirable to adopt the present gauge of the Indian lines, we might cite Kattiawar. The case of that province—its hope long deferred, the willingness of its chiefs to co-operate, and the urgent necessities of its traffic—were well put by a correspondent, "X.," whose letter appeared in our paper yesterday. The Chamber of Commerce has more than once urged the local Government to promote the construction of the first section from Ahmedabad to Veerumgaum; and we believe both the Local and Supreme Governments would be glad to accord their sanction—on one condition, that is, that the B.B. and C.I. shall undertake to construct the line at one-fourth or at most one-third the rate per mile that has been absorbed in the main Baroda line. If the Board of that railway will lodge a guarantee with the Secretary of State that the Kattiawar extension shall not exceed the rate of cost just named, they might count upon immediate sanction to the work. If, then, the Consulting Engineer is willing to accept the principles laid down by Mr. Douglas Fox in the paper to which we have referred, supported as he was by several eminent engineers,—the Kattiawar line may be completed by the next monsoon.—*Aug.* 12, 1869.

JOHN LAWRENCE ON RAILWAY EXTENSION.

IN another column we publish copy of the despatch from the late Viceroy on the subject of Railway Extensions in India, written on the eve of his departure. It will be seen that the various topics included in this wide review are treated with a masterly hand, and the whole sketch of future railway progress is at last dealt with in imperial style. We have also good reason to believe that what Sir John Lawrence took so well in hand has been carried forward with intelligent vigour by the present administration. So well has this been responded to by the Secretary of State and his Council, that no time has been lost in coming to certain definite conclusions in regard to some of the lines first to be taken in hand. Not less difficult to decide than the question how much line, and what lines should first be undertaken, has been, Through what agency should the works be carried out? Are the existing companies to be entrusted with every extension that joins their own lines? Are such extensions to be made over to new companies on different terms, or to large contractors by special bargain? Or are they to be taken in hand, and kept under the close supervision of the Supreme Government? Whatever method be adopted, this last condition, we may depend upon it, will be maintained in a far closer degree than ever before. It is manifest that the decision as to the agency by which each particular extension or new line shall be carried out, will depend in great measure upon special circumstances in each case; but there is a strong tendency to supersede the clumsy device of London Boards. In the case of the projects that we now refer to, it is understood that they are to be carried out under the orders of Government engineers; but scarcely, we should think, according to the ordinary departmental routine. . . . . .

We regret to learn that (as regards Sinde) the authorities cannot as yet make up their minds to the best plan of all, that of continuing the line (but a narrow gauge one) from Kotree on the right bank. Colonel Strachey, as it seems to us, effectually demolished Mr. Andrew's desert line on the left bank; and the Canal from Roree to Hyderabad, with

an ordinary road thrown up by its side, would afford all the communication needed by that unprofitable country. The proposal to extend the Sinde line from Mooltan downwards—which involves the hauling of all the iron-work and rolling stock up the 1,500 miles of the Ganges Valley, to say nothing of the longer and more perilous voyage to the Hooghly for all the European materials—cannot, to us on this side of India, seem anything but turning Indian geography upside down. When our Colonel J. S. Trevor looked at the Baroda to Delhi project from his then stand-point in the Ganges plain, he seemed to forget that the entrance to India from Europe is from the west; but if the Supreme Government extend the Sinde line from Mooltan, they will be pushing the antiquated view of Indian communications to a *reductio ad absurdum*. To regard Calcutta as the port of entry for the material of a large public work, to be executed at a point 1,500 miles from the Hooghly, and only 400 or 500 miles from the western port, reveals how ingrained is the note of Bengal provincialism in the composition of even the stronger-minded members of the Supreme Government. It is not from local bias that we oppose this round-about plan of making the line downwards from Mooltan; for Kurrachee, and not Bombay, would be the port of entry for the Sinde line, and that harbour is quite capable of anything that would be required of it for such a purpose. Many years ago, when the *Friend of India* was much less local in its tone and leaning, it wrote: "From Meerut to the Suliman, the true outlet [and inlet] for Northern India is to be sought in Kurrachee"; and yet, at this time of day, the Supreme Government purposes to ignore that self-evident proposition. It is fit we should hand a word of comfort to the B. B. & C. I. Company, seeing they are to be shut out from Central India for an indefinite time. With more distinct assurance than we gave yesterday, we are now able to repeat that the making of the branch from Ahmedabad to Wudwan is in the hands of the Board. And if the directors do not see their way to accept the conditions imposed by the Government of India, that Government is prepared to undertake the line itself, and accordingly it may in that case be added to the list of State railways we have given above.—*Aug.* 13, 1869.

THROUGH TO CALCUTTA BY RAIL.

THE engineering work in the Nerbudda Valley goes on in gallant style. Though there is little fear but the Viceroy and the Duke of Edinburgh will be able to ride in a regular train all the way from Jubbulpore to Bhosawul at the time appointed early in March next, the match against time and nature will be a very stiff one. The struggle now going on is in every way worthy of that combined energy and skill which, when they have a fair chance given them, English civil engineers can put forth. That confident expectations have been held out of opening the line so much earlier than May, as at first announced, should in no wise be allowed to lessen the great credit due to the men who are now straining every nerve in that jungle region to keep the brave promises made on their behalf. The period at first allowed for completion of the through line having been, so to speak, voluntarily shortened by nearly three months, it is evident that a very great amount of energy and zeal has been thrown into the bargain by the Chief Engineer and his coadjutors on the spot; for we do not gather that much addition has been made to the skilled staff. Therefore, should the match be lost by a neck, the public will not be likely to undervalue the splendid running that is now being made. Any through passengers who may now go *via* Hurda, instead of round by Nagpore to Jubbulpore, or who come westward on the former route, would do well to take note of the magnitude and difficulty of the works now being carried through in the Upper Nerbudda Valley. It will be more easy now to realise the value of the engineering skill put forth than when all may be swept and garnished for the Viceroy's ceremonial opening of the through route. . . . . .

In noticing the energy and success with which these later works on the Great Indian Peninsular are being carried out, we may be permitted to remark, that it should not be necessary to go all the way to the Western Hemisphere to see or obtain the utmost results possible from Anglo-Saxon energy and modern engineering skill. It is quite right that the Government of India should gain what hints and personal aid it can from the rapid constructors of American railroads. India sadly needs cheap, efficient communication over long distances, and she requires to have this done rapidly, in proportion to the growth of debt on capital account. But it belongs to the profession of English engineers, Civil as well as Royal, to gather and test for themselves all new suggestions and novel devices

pertaining to their craft. Provided the Government of India grants to English or rather Indian engineers all the facilities it would do on behalf of specially imported American or continental engineers we do not see why the former should not be as successful as the latter possibly could be in rapidly extending the railway mileage of India. The Americans have pushed forward some of their long lines with amazing speed. Though slight, these lines answer their purpose long enough to admit of the traffic being developed sufficiently to pay for the relaying of a more permanent railway. But the route has been fixed in the first haste of inspection, and the advantages of the best "location" are necessarily lost. It is in "locating" a line that, under any system—broad or narrow, light or heavy—the greatest difference may be gained or lost as regards aggregate cost, traffic returns, and working expenses. This is being more clearly seen now in India; and if the Supreme Government, being free from financial let or hindrance, is willing to trust with generous confidence engineers already familar with this country and its requirements, there is no reason why our future railway extensions should not, *pari passu*, be as economical and as financially successful (though not nominally so cheap) as the average of American lines.—*Jan.* 17, 1870.

INDIAN RAILWAY FINANCE—PROSPECTIVE.

IN connection with the forthcoming Budget, so many details have to be considered, so many corrections of corrections will have to be made, so many explanations and apologies will be forthcoming, that it will be too much to expect the Finance Minister to bestow much attention on the higher branches of his art. Had Sir Richard Temple ever displayed any special aptitude for such topics as the development of currency facilities, the management of debt, and economy of public obligations, or the means of utilising and forecasting the resources of State credit, it would be unreasonable to look for his dealing with any of these difficult matters in the Financial Statement on which his pen is now employed. The public have no right to ask more from him just now than that he shall prove himself up to the mark in every detail of the Budget, that he shall produce evidence of complete reform in the Financial Secretariat, so that we shall have heard the last of the reproach that "Indians cannot count." With his hands full of ordinary work, we must be content if he does that tolerably well; but the weightier matters to which we have alluded press for attention, and amongst Sir Richard's colleagues there are men who are not likely to neglect them. Sir William Mansfield, with all his repute as an authority in monetary science, should not be content to leave India without striking another stroke on behalf of a gold currency and the revision of the note system. Sir Henry Durand has manfully confessed the great shortcomings of the Indian Government in regard to communications, and he will be expected to show the best method of providing funds for the more rapid development of public works. In reference to the economy of loans and interest charges, and regulations to meet the coming increase of national obligations, the Hon. John Strachey will have opportunity to manifest those comprehensive financial views for which he has, somehow, gained credit, without, as yet, having had the chance to put them before the public. Thus, if the Finance Minister will duly attend to his special business of looking after the odd thousands and marshalling the lakhs, there are plenty of statesmen at hand who will be at leisure to consider the millions. Some of them ought at this juncture to do what men can do towards defining the principles that must determine the financial fortunes of India during the rest of this century. . . . . .

Amongst proposals of permanent importance which should claim attention before the ground is occupied by the details that will be thrown up in course of the Budget discussions, is one developed in the pamphlet, "Indian Railways and Indian Finance," published in this city a few months back. No one now disputes the soundness of the decision, arrived at during the closing months of the late Viceroy's reign, that the funds for future Indian railways shall be obtained by direct loan from the home money market, so that the capital may be raised most economically, and all the profits from future traffic may accrue to the benefit of the State. The feasibility and advantage of Government purchasing the existing lines, are not quite so obvious, and the suggestion may be regarded in the light of a challenge to our official financiers. How is this to be done and wherein shall the State profit thereby? Let us state the case as it is put in the pamphlet

referred to. The writer points out the one-sided nature of the contracts between the railway companies and the Secretary of State. The Government is bound to make up from its general revenues the guaranteed interest of five per cent., though the profits shown—after a practically uncontrolled outlay on working expenses—may, as in the case of the Sinde and Baroda lines—only reach two or three per cent. Or, as in the case of the Calcutta and South Eastern line, the shareholders may compel Government to buy them out at par, though the traffic is so poor as barely to pay the cost of running the trains. He reminds us that one prominent result of the guaranteed system has been to cause a greater creation of railway capital than was needful. This, even in the case of the profitable lines, entails a permanent burden on the finances. The set-off to the sacrifices of Government in making up the amounts of guaranteed interest is the right to take half the profits that may be made in excess of five per cent. . . . Now the question is, what have our financial authorities got to propose in this matter? Looking to the fact that we are committed to a continuous increase of our interest charges during the remainder of this century, have they no plan whereby the annual charge for railway interest may be lessened, and a better share of future profits may be secured for the State? . . . . . .

The contracts with the companies, though adverse to the Government, do reserve to it the option of purchasing the lines at twenty-five, and again at fifty years after their opening. This is clogged with the condition that the rate of purchase shall be an average of the previous three years' market value of the several companies' shares. It is obvious that any well-founded expectation of Government buying out the lines would tend to expand the market rate indefinitely. The purchase of Indian railways would then become time-bargaining *in excelsis*. The conditions defeat themselves; moreover, the close of the first period of twenty-five years is too distant to make it worth while to begin to count upon any practical relief. It is just now that our financiers should show their skill in this matter, and before the State begins to raise railway capital directly. Possibly one of them may have in his bureau a scheme in all respects superior to the one broached in the Bombay pamphlet before us; but in the meantime this challenges attention. The writer points out that, as the Indian Government is formally liable for the debentures, which now represent one-fourth of the railway capital, and as it is virtually responsible for principal as well as interest on the rest, the transfer of the whole sum to our Great Book debt would in no way weaken our financial position. . . . . .

The writer has an easier task when he turns to show the great ultimate advantage which must accrue to the State in constructing future railways from the cheaper capital that will be attracted by its own direct credit. In an elaborate calculation (the details of which, however, require correction and adjustment) he shows that, by the year 1888, with 9,000 miles of railway open, representing a total obligation of 177½ millions, there will "be a nett surplus profit falling into the Treasury of 4½ millions sterling." We cannot do justice to this part of the writer's argument, and it is of less consequence to attempt to do so since his conclusions in reference to future railway finance had virtually been accepted by the authorities by the time the pamphlet appeared. We must give, at least, passing commendation to his broad reasoning, in which he shows the feasibility, safety, and duty of the Government of India expending freely on public works, and to his recognition of the fact—blundered over and misconstrued by our official financiers—that India on the average of the last decade "has yielded an annual surplus of five to six millions sterling, instead of being afflicted with a chronic deficit, according to the popular belief." Our present Finance Minister is, we fear, much too knowing to give heed to any anonymous pamphleteer; but in the preface the writer makes certain valuable suggestions as to the form in which it would be expedient to have the Budget accounts arranged. Briefly described, his proposals are to divide the Budget accounts into three distinct schedules —1. Ordinary revenue and expenditure, showing distinctly surplus or deficit; 2. Expenditure on non-productive works, such as barracks, &c., showing loans contracted, repaid, and remaining due; 3. Similar statement regarding productive and remunerative works, as railways and irrigation, showing current outlay on construction, charges for interest and maintenance, also the returns obtained. A comprehensive balance-sheet like this would vastly simplify all questions of Indian finance; and it is more than probable that even the Finance Minister himself might learn a good deal in course of its compilation.—*March* 10, 1870.

THE INDIA OFFICE'S SECRET, THEREFORE BLUNDERING, RAILWAY POLICY.

IT is high time the Government of India knew how far it can act, as master or not, over the vast railway system for the working and financial success of which it is responsible. When the new arrangement between the Secretary of State and the Railway Companies was first mentioned here, about a month since, every one supposed that the change in the contract had been agreed upon in consultation with the Viceroy in Council; but this, we now learn, was not the case. We may remind our readers that these changes consist of two main divisions, which do not, on the face of things, appear to be in any way inter-dependent. One is the agreement by which Government cancels the accumulating debt for guaranteed interest—debited for years past against the companies, now amounting to a total of nearly 20¾ millions sterling*—in return for which sacrifice, the State is to have a perpetual claim to half the profits over the five per cent., instead of crediting or surrendering all the excess profit to the companies after such time as the old debt for interest might have been repaid. The other concession, one which appears to be made without any equivalent, is that Government gives up the provision, embodied in its original contracts, which gives it power to take over the railways, on certain settled conditions, at the end of twenty-five years from the date of the deed. We do not propose to discuss the policy of this provision further than to remark that, whatever difference of opinion there may be as to the probable success and economy that might result from Government directly undertaking the construction of railways, there can be little doubt that more efficiency and economy would be secured, in the traffic management and the maintenance of open lines, if under the direct ultimate control of the State, than, as now, under London Boards. . . As we are now given to understand, the Government of India had all but finally decided to take over the Great Indian Peninsular Railway at the term fixed by the contract, 1874-5, when, without consultation or question asked, out came the intimation from His Grace, that he had settled everything with the Companies concerned; the interest debts were written off, and the right to take over postponed for another quarter-century. It should be remarked, in passing, that in Mr. Danvers' annual report (dated May 20, to hand since the revision of contract was announced) it is stated that the proposal involving abandonment of interest arrears had been already made to all the Companies, and accepted by six, including both the Bombay lines. When the Secretary of State's off-hand proceeding in this great surrender was announced at home, the *Spectator* briefly but vigorously protested against it, and on constitutional grounds rather than from the Indian point of view, as we now desire to do. That paper seemed to think that the *quid pro quo* implied in accepting (problematical) future profits instead of gradual collection of an old debt, might be a fair and reasonable bargain, to which the Viceroy in Council would not object as one of the principals concerned. As to His Grace's surrender of the contract right to take over the lines, the *Spectator* very properly questioned the right of the India Office to make any such bargain without bringing the whole subject before Parliament. Our home contemporary's objection is not based merely on the ground of such relinquishment involving indirectly a money question, in its right over which the House is bound to be tenacious. It was pointed out as far more important that the granting of such a concession—the relinquishment, as the Government of India might think, of a possibly valuable option—really amounts to "the modification of a policy almost imperial." Not only almost, but altogether imperial, we should say. And yet the principal immediately concerned—the Government of India, which is charged with all the responsibility for the success or failure in this difficult problem of railway policy—was not aware, so far as we can learn, that any serious negotiation was going on in respect of this great surrender. Whatever right Parliament might have to exercise its indirect power over the Indian revenues and railway policy, it is clear that the claim to be consulted which the Viceroy in Council could put in would be incomparably stronger; yet His Grace virtually ignored both controlling authorities. We cannot in these days understand this secretive and autocratic style of dealing with huge financial and imperial interests. One might ask, Is Earl Mayo getting to like it? Sir Richard Temple prefers being ordered to do as Westminster bids; he is never so impressive in a Budget speech as when he affirms that it is by the Secretary of State's orders that this or the other piece of financial unreason is to be carried through.—*Aug.* 17, 1870.

* See Mr. Danvers's Report for 1869-70, page 21.

RAILWAY TRAFFIC CHARGES.

WE need not now do more than refer, in passing, to the high differential charges until recently maintained by the Great Indian Peninsular on cotton not full pressed, and the undue rate on all cotton as compared with charges on other railways. If we mistake not, considerable concessions have been made under this head. If we turn to the import trade, we find a striking instance of the extent to which one of the larger railways, like the East Indian, can "rule the roast," apparently without any practical check from the central authority, which professes to supervise and control impartially all our railway system, for the equal benefit of each province and presidency. Up to a recent date the rate charged on piece goods, destined for the North-west Provinces, was about one-fourth of that charged by the Great Indian Peninsular Railway to the same districts, *via* Jubbulpore. This company was, we believe, quite willing to lower its charges on this great branch of traffic, so important for financial convenience and profit of Bombay. They offered to carry piece goods at a special through rate to Jubbulpore or Allahabad; but here the East Indian Board of Agency interposed, and said, "No; you shall lower your rates all round, on both lines, whether you have inducement or not; or, if you carry at any special rate to Jubbulpore, we will lower ours to a ruinous figure." One may wonder how any railway could obtain this exacting power over another to the detriment of commerce; but reference is made to some mysterious provision in the contracts, on which the East Indian cabal relied to support its definite action against the Bombay trade and the rival railway. How this may be we do not know; but it is very plain that in railway matters, the Government of India is very far from being master in what should be virtually its own house. The piece goods dispute has, we hear, been compromised; but there is still the preposterous anomaly that Manchester bales sent round by Calcutta are carried up-country at half the rate charged on them from Bombay. This is a fact that ought to be borne in mind when boasts are being made of the larger import trade on the other side of India; for it is very certain that the wretched population of the Lower Provinces cannot compare in their consumption of English manufactures with the agricultural populations on this side of India. As to the passenger arrangements which have recently been made for next cold weather, the same imperious East Indian Board of Agency has drawn up its time-table solely to suit passengers from Calcutta to Upper India, as if the through route to Bombay were still to be completed. Some means will doubtless be found of overruling this downright stupidity on the part of the East Indian officials; but it is another proof that the time has come for their being brought to terms, and this is the juncture chosen by His Grace of Argyll for reducing the Government of India to cyphers in the matter of railway control.—*Aug.* 17, 1870.

II.—Mr. Arthur Helps, one of the popular authors of the day, and that, too, in the best sense, has in one respect set himself in opposition to the rising tide of popular opinion. Readers of his essays will remember that several times he remarks, apparently in all earnestness, on "the deplorable consequences that result from business being entrusted to women." Not only is this remark opposed to the prevailing sentiment in favour of allowing greater scope to the gentler sex in managing the ordinary affairs of life, but it is rather surprising as coming from one who has had very peculiar opportunities of witnessing that special aptitude possessed by the highest lady in the land for business of the greatest importance—to which talent we have recently had such emphatic testimony from the Conservative leader and the popular Court *padre* of the Barony Church. Possibly Mr. Helps, both from loyalty and conviction, might plead that Her Majesty's facility for disposing of affairs of State must be regarded as an exception which only serves to bring out the general correctness of his proposition. . . . Something of this sort might be noted a few weeks back in one of the lively letters of "Our Own" lady correspondent in the North-west Provinces. After guessing at the causes of the discouraging decline of traffic receipts on the East India line, she went on to make various remarks for the benefit of our merchants. . . . . .

Our Bombay merchants are scarcely likely to send "bagmen" to stump through the Doab country and the Punjab; but it is possible they are too much inclined to the

opposite, that of thinking if there be trade worth having, it is sure to "come of itself." And the "speculative" writer of the above could not be aware of the almost insuperable obstacle to trade between Bombay and Upper India, *via* Jubbulpore, which then existed, in the shape of excessive charges on the Great Indian Peninsular Railway, and which, for a year past, our Chamber of Commerce had been striving to get reduced. Since November 1, a considerable remission has taken place; but the rates to Jubbulpore from Bombay are still much higher than those from Calcutta to Allahabad; and it is too soon to see what will be the result of the partial reduction obtained. It may be well, however, at this stage, to take special note of this subject of decline in the East Indian train returns, and the more favourable position recently occupied by the Great Indian Peninsular in this respect.—*Dec.* 20, 1871.

THE BATTLE OF THE GAUGES—BEGINNING.

IT has been said, we believe, with special reference to Mr. Gladstone's Budgets and his speeches in describing them, that "in modern politics finance is everything." Nowhere would this aphorism include a larger portion of the whole truth than in India. Few proposals could illustrate this better than the vast railway project to which the Indian Government has committed itself, and more so when considered, as it should be, in connection with the capital needed for the unmatured but scarcely less costly irrigation works which our statesmen desire to carry out within a period similar to that which must be occupied in constructing the railways already planned. . . . Therefore now, at this juncture, when proposals are made to introduce a narrow gauge and less costly style of railway, we are bound to look at the question as a whole. We must, in the first instance, lay aside our settled preferences in favour of the imposing system of the broad gauge, and suspend judgment in a case on the decision of which hangs a financial issue of all but the first magnitude. The various considerations in detail which arise on the mention of two gauges instead of one, are important in their place; but it may not be difficult to show that they are dwarfed into insignificance compared with the question—shall we have 4,000 miles of rail at £12,000 per mile, or 8,000 to 10,000 miles at £5,000? And there is besides a vast annual difference in working expense which may be claimed by the advocates of the cheaper and more extensive project.

Let us look at the splendid programme set forth in the schedules affixed to the great batch of Railway Minutes. There is a trait of modesty in the Government of India's manner of putting these forward which should not be lost sight of. The amalgamated group of 25 schemes, involving an outlay of £48,805,000, is entitled "Abstract of the Various Proposals submitted by Local Governments in 1868." We dare say the provincial authorities will sit tolerably easy under the responsibility of their proposals, but it should be borne in mind that amongst the most costly and unremunerative projects are those two favourite schemes of the Supreme Government—the Lahore and Peshawur (£5,100,000), and Khundwa to Indore (£1,500,000). Also that extraordinary proposal for a line from Nagpore to Etawah (£6,750,000) bears the mark of one of the Viceroy's colleagues—probably that somewhat imaginative projector, the Finance Minister. These three schemes, all ranked as for "first-class" lines, are to absorb one-fourth of the whole outlay so considerately entered as due to the "proposals of Local Governments in 1868."

We will now broadly apply to this magnificent project of twenty-five railways, great and small, the reduction in cost which would be secured by the general adoption of a 3½-foot gauge. The total length of line included in the "Abstract" of proposals is 4,046 miles. To these may be added from the "already sanctioned" list the Lahore and Rawulpindee, 173 miles, not yet touched, and the 661 of the Oude and Rohilcund, not yet in course of construction—giving a grand total of 4,880. . . . There are only two railways of 164 miles proposed as definitely light lines. For the "first-class" railways we will take the average of £12,000 per mile. . . . . .

Engineers who have been raised in the school of broad gauge and ponderous engines, are accustomed to speak of the Indian gauge of 5½ feet as being as near perfection as could be wished. But these engineers admit that the heavy rolling stock for which the broad gauge is intended involves great wear and tear of rails and permanent way, with continuous and heavy cost of working, for which nothing can compensate but a large and remunerative traffic, such as exists in the densely peopled manufacturing countries of Europe or Eastern

America. As the question at present stands in India, it may be granted that the broad gauge, with its great convenience and all its costly concomitants, should be maintained on an important imperial route like that which the Great Indian Peninsular and the East Indian will soon complete between Bombay and Calcutta—or rather between the western coast and Upper India *viâ* Allahabad, for the eastern "capital" must gradually decline in imperial importance. Beyond this one main line of communication, we think that on the advocates of the costlier system must be thrown the burden of proving its suitability for India. . . . . .

Probably the Indian Government, in its present confident temper, may see its way to prevent "incursions of the heavy rolling stock" on the lighter lines of the standard gauge; but its orders to that effect will have to be very peremptory. The last remark made by Mr. Hemans leads the way to mention another great advantage attending the adoption of the narrow gauge. Not only is the first cost per mile nearly 50 per cent. less, but the length of the route may often be considerably reduced where the narrow gauge is adopted. The shorter curves and the steeper gradients of a railway on this plan would make an immense difference in aggregate length of the lines now under consideration. In nearly all the longer lines now proposed, the nature of the country is such that the saving in length of line by the adoption of the narrow gauge would be very considerable. Engineers will recognize at once the similarity between several of our Indian districts, now virtually closed to commerce for want of railways, and those in Australia, where this economical and effective plan has been found to answer so well. We quote again from the Institute paper already laid under contribution :—

In Queensland, the gauge of 3 feet 6 inches was determined on the following reasons : First, there were already two gauges in Australia, so that uniformity was out of the question; secondly, a curve of five chains radius on this gauge is nearly equal to a curve of eight chains radius on the 4 feet 8½ inches gauge; and the country, on the Main and Little Liverpool ranges, is of so peculiar a character, with frequent ravines and spurs running out from the main range, that it was found, by a careful survey and estimate, if curves of eight chains radius were adopted, as upon the Blue Mountains, New South Wales, the cost would be increased more than threefold. In the item of viaducts alone, the cost would have been £35,040 per mile, as against £6,100—an amount quite beyond the means of the colony. The gauge was therefore fixed at 3 feet 6 inches, and the minimum radius of the curves was reduced to five chains.

We need not take further trouble to give point to this illustration when we cite, though for different reasons, the Carwar to Hooblee route, and that from Kotree to Mooltan right bank—more especially between Kotree and Sehwan, where the spurs of the mountains have afforded some excuse for preference of the extravagant left bank scheme. But we do not desire at present to go into detailed comparisons. Our object is to call immediate and serious attention to the possible prodigal sacrifice of many millions of the capital for which India hungers, by sinking it in a costly style of works for which the traffic of the country can never pay.—*Sept.* 14, 1869.

ENGINEERS FOR INDIA—ROYAL OR CIVIL.

IT is well that at this juncture the constitution of the Indian Public Works Department should be thoroughly overhauled. With a current deficit, caused in great measure by unauthorised expenditure in public works, the Government of India is about to launch into some of the most gigantic undertakings in civil works ever taken in hand by any Government, and the tools with which it works should be carefully chosen and well tempered. Some few months back it was remarked with surprise that in prospect of these vast civil engineering works, the Secretary of State was sending out an unprecedented number of Royal Engineers. The philosophy of thus selecting costly military men to carry out civil works is supposed to be, that "tone" is required, and that military habits of discipline and fidelity to duty are needed to bind together the vast and miscellaneous industrial army which the Government of India must soon have under its command. So far, there is, from an Indian point of view, much to be said for the importance of "tone"; but there has been exaggeration in this direction. Offence has been needlessly given to civil engineers by publicly warning the whole profession that when employed under Government they must, like soldiers, be content with their pay. But it has been shown through the press, both at home and in India, that the pay, promotion, and other provision offered by the Indian Government to civil engineers entering its service by competitive examination are insufficient, and glaringly unequal in comparison with the aggregate pay and influence

enjoyed by military engineers. This wide contrast cannot be permitted to endure, or the Royal Engineers will have to be much restricted in number compared with the whole strength of the department. India cannot afford public works the actual cost of which must be computed as including the military as well as civil pay of Royal Engineers. . . .

The time has come not only for a reconstitution in principle of the Public Works organisation, but for a thorough investigation of the abuses in detail so often alleged as overweighting every operation of the department. . . . These evils are remediable; but not without the exercise of firm determination and liberal encouragement of engineers and surveyors with practical knowledge of details, to which qualifications must be added familiar acquaintance with the vernaculars, long provincial experience, and settled contentedness with an Indian career. These conditions must be secured if the Indian Government is to go forward with its plans for the construction of larger works than ever. The correspondent already referred to concludes his letter as follows:—

After an experience of twenty-five years I can safely say, you may leave your army alone *if you wish*—you may arm your coolies, and dhobees, and tailors,—if you will only look to your Department of Public Works. But no State can afford to build permanent bridges and macadamise 100 miles of road for Brinjara (pack) bullocks and hackery wheels, or to build refrigerators in the shape of double-storied barracks,—patent producers of asthma, lumbago, and rheumatism,—costing lakhs of rupees, or to pour coin into the hands of native and European contractors to simply carry out the departmental rule—of useless expenditure and wanton waste of money.

The break-down of the Financial Secretariat and the wrangle over the Budget estimates are not unimportant matters, but they are mere details compared with this question of the reorganisation of the Public Works Department, which demands the earnest attention of all the fast friends of India, whether here or at home.—*Nov.* 23, 1869.

II.—In another column we reprint the preface of the little *brochure* entitled "Public Works and the Public Service in India," which, as will be seen, is edited by Major Evans Bell, the second portion of the work being his own. As explained in the preface, it is the first portion, that on Public Works, which gives special interest to this publication at the present day. But it is more because of the position, the continuous and various Indian experience of the writer, Colonel F. Tyrrell, R.E., that his section of less than thirty pages is valuable at the present juncture. No good purpose is answered by journalists who, when public works are the topic, merely fume and fret against the amount of expenditure. So long as we raise half our revenue from land, the State must make communications—either promoting them by advances or guarantees, or carrying them out itself; it must store water and provide for its distribution; and, like all other Governments, it must erect buildings needful for the decent and effective conduct of administration. Of course, all these things must be done "in reason;" that is, with due regard to the funds and credit available. . . . Both these writers, the Royal Engineer most emphatically, support this popular estimate of the poor results attained by the Public Works Department agency; but, like reasonable men, one of them a tried and tested expert, they address themselves to the problem, how are the obligations to the people to be met, without the drawbacks which have hitherto beset the attempt? . . . . . .

It is in the emancipation of the Executive Engineer from the necessity of "reporting the childish minutiæ now insisted on" that the writer sees some hope for the future, so far as method is concerned. But he insists that there must be extensive reorganisation: "The Department should be opened, relieved from the domination of military engineers, and yet preserved from sinking, according to Indian custom and tradition, into a close and privileged service." . . . Therefore, though the salary of "an Engineer of great reputation and high standing"—one of the first of his class in Europe, we presume—would be as much as that of an Executive Councillor, our author would have such a Civil Engineer of weight and authority selected, and associated with the Viceroy, affirming that "such a man would save his own salary in the first year, and in ten years would reproduce it ten times over." . . . He then points out the painful contrast between the professions of our leading statesmen to the effect that the public services are open to the people of India, and the conspicuous absence of native names from the higher posts of the public service, entry to which by comparatively few of the people would fill the land with the firmest loyalty and productive emulation. Contrasting these sounding professions

at home, in Parliament and State papers, with the shabby, halting, and grudging practice in India, Major Bell remarks—

> The general result is this, that although there are no positive rules excluding natives from the better class of uncovenanted appointments in the Indian Public Works Department, somehow or other they are never appointed, simply, I believe, in consequence of that "social and sentimental bar," that "self-satisfied and supercilious spirit," of which Sir Bartle Frere speaks, and which the two most recent developments of India Office liberality which I have just noticed seem unhappily intended to pamper and perpetuate.

The "developments" referred to are the establishment of the College for "the sons of the British householder" and the elaborate canvassing for candidates for the Forest Department. It seems, the Duke of Argyll said in Parliament there is "one College in India for the education of Civil Engineers," thereby implying that His Grace knows only favoured Roorkee. The writer reminds him that there is an Engineering College at Poona, established purposely for native students, and also another at Madras; but whilst there are in this presidency only two native engineers in the higher branch of the Public Works Department, there is not one in Madras. In passing, we may ask, is there not in one of our Chief Secretary's pigeon-holes a memorial on this subject from the native engineers, and which has "been waiting reply" nearly six months? Incidents like this remind one how much force there is in Major Bell's simple remark—"To govern a great continent is a task very different, not only in scale, but in kind, from that of managing a large office. Administration is not government." Some strong, wise, independent Viceroy, who may "rise to the height of the great argument" underlying those apparently trite expressions, will immortalise himself and weld India to England for ever; but that "king of men" must come soon, or he may come too late and only break his own heart.—*April* 29, 1871.

SECRECY AND WASTE.

THE removal of the Military Finance Offices back from Poona to Bombay, if it ever takes place, will, we believe, prove to be a typical case of the mischief and waste of public money which result from the secretive method of Indian administration. Briefly, the present position of the matter may be thus stated: The removal has been talked of for three years past; nothing was allowed to transpire officially on the subject until within the last few weeks, when some formal but indirect notice of possible descent to Bombay in two or three months' time was circulated; certain repairs and alterations in the old Secretariat have been commenced, avowedly intended to accommodate the Controller and his establishment; but out of what funds the cost of these alterations is to be defrayed, or by what authority the work has been entered upon, has not, so far as we are aware, been made known anywhere. Now, waiving for the present any argument as to whether this charge is necessary or expedient, we ask, can this silent and hidden method of working up to and arranging for the change be considered as a business-like and sensible way of conducting public affairs? The removal of these offices from Bombay in 1865 might be a wise or a foolish step; and, very probably, a similar secretive course was followed in carrying it out, though in that case we can imagine prudential pecuniary reasons for the reticence. The first cost of the transaction was upwards of three and a half lakhs, and at least a lakh more must have been spent in repairs and additions to the buildings in which, for nine years, the Controller's establishment has had its home. That expenditure has already been incurred and sunk, and the advantages secured by it, though bought too dear, will, if the removal takes place, have to be sacrificed altogether along with the capital sunk.—*Jan.* 23, 1874.

SIR JOHN HAWKSHAW'S ROUGH-AND-READY CALCULATION.

TOUCHING the large and now emergent practical question—what style of construction shall be adopted for the new Indian railways?—it would generally be expected at home that the Indian authorities, together with the majority of the engineers concerned, both here and in England, would surrender at discretion on the publication of the elaborate but concise essay on the whole subject recently written by Mr. Hawkshaw. Though the

document is addressed by him to the Directors of the Eastern Bengal Railway Company, for whom he is Consulting Engineer, Mr. Hawkshaw avows that he expects the general principle laid down in his paper will be applicable in most or all of the provinces of India. . . . His characteristic manner of dealing with engineering projects is essentially British—he will have strength at any cost; massiveness he prefers almost for its own sake; and, though he always intends his work to secure a return, he has become accustomed to think capital was made for engineers, and that the supply of that material is unlimited. Because of these national characteristics, Mr. Hawkshaw's opinions strike the popular mind and find ready acceptance with English engineers—his contemporaries and competitors in the great Public Works undertakings of the last thirty years. All this tends to give a heavy advantage in this new battle of the gauges to the side which already claims great preponderance in general opinion. It might be objected *in limine* that the special circumstances of India and the peculiar difficulties—though mainly resolvable into financial terms—that have to be contended with in carrying out ten thousand miles of new railways, demand the professional skill of some consulting engineer not less eminent than Mr. Hawkshaw, but one trained in a different school. But we must take what we can get.

Those who wish to see this great financial and engineering problem fairly worked out will be interested in following the arguments of a professional contributor who now opens up the subject in another column. Although "C.E." travels over the same ground as the eminent engineer at home, some of whose conclusions he traverses, his paper should not be read as a formal reply to that of Mr. Hawkshaw.

Leaving the exact comparisons and professional considerations in the paper now being presented to our readers to claim such attention from "experts" as they fairly merit, we may just refer to one or two points in Mr. Hawkshaw's argument that are open to criticism on broad grounds which every one can appreciate. He undervalues the importance to India of the saving of capital outlay which, according to his own showing, would accrue from the adoption of 3½ instead of 5½ gauge, namely, £2,800 per mile—less whatever imaginative persons like to deduct for cost of transhipment. Supposing this were to cost as much as the amount saved in maintenance and renewals—a monstrous supposition—there would still be a saving of £1,800 to spend on additional length, feeder roads, or irrigation. If India can obtain and afford to pay interest on the full amount of capital required for the more costly style of railway, she can far better afford that charge by making, say, one-eighth of the capital subservient to different but cognate uses. The bearing of this consideration in the aggregate is of immense importance to this country—so rich in two of the three elements of production, so poor in the means of utilising them. The total saving by adopting the 3½ feet gauge for 5,000 miles is admitted by this adverse witness to be over £14,000,000 sterling—less cost of transhipment. As, however, the extensions put before the country by the late Viceroy and his colleagues amount to 10,000 miles, we can claim on behalf of the lighter system, even on Mr. Hawkshaw's calculation, an aggregate economy in first cost of nearly £30,000,000 sterling in that length of communications. . . . . The history of certain portions of the Great Indian Peninsular Railway, and that ricketty broad gauge line which serves as a sinking fund in Sinde, have given us a wholesome horror of any excuse for economy gained by slighter construction. And it should be remembered by those who favour this tempting method of trying to show there is "no essential connection between a light railway and a narrow gauge," that, if the same proportion of paring down strength and bulk were applied to the narrow gauge system, there would be exhibited a comparatively increased contrast in cost. Probably that part of Mr. Hawkshaw's paper which will produce most effect—an effect necessarily out of all proportion to its engineering or financial importance—is that in which he dilates on the difficulties that might arise, supposing military emergencies should require troops and munitions of war to be moved in every direction at once all over India. In reference to this, we may quote from a note received recently from a civil engineer of great Indian experience—but not the "C.E." of the other column. He writes: "I think Mr. Hawkshaw makes far too much of the objections to break of gauge on military grounds. . . . India is an immense continent—not an island, like Great Britain; and troops can only be moved 200 miles at a stretch—they must halt at times." No one could more fairly estimate than could Mr. Hawkshaw the bearing of these considerations as to the relative effects of break of gauge on a continental peninsula comprising 1,545,000 square miles, when compared with the narrow limits of the southern portion of an island of which the total surface measures only 89,000; but the eminent engineer had, for the moment, entirely overlooked

this all-im portant compaison when drawing up his memorandum concerning railways to Darjeeling and Gowhattr It is entirely an assumption to suppose that, with uniformity of gauge, troops could be sent, in time of war, up and down India with celerity similar to that with which bags of letters are transmitted by mail train. . The break of gauge at half-a-dozen principal junctions in all India—and there would be very few more than that—would, at the worst, only add, say, one-tenth or one-twentieth to the inevitable impediments that have to be overcome in the moving of troops and stores in ordinary times.—*Oct.* 4, 1870.

BROAD VIEWS INSTEAD OF BROAD GAUGE.

SO it appears that the experts or professional referees, to whom the Secretary of State had, in the first instance, turned over the question of "What is the best gauge of the new Indian Railways?" have decided in favour of 2 feet 9 inches. This is meant, probably, as half the present "standard" gauge; but, in effect, and in order to utilise evenly the existing rails, it will be 2 feet 8 inches, as some time since proposed in our columns by a correspondent, and recently supported on professional grounds by "C.E.," whose pamphlet will prove opportune for familiarising the popular mind with all that is involved in the decision now reported from London. Mr. Fowler's dissent in favour of a 3½ feet gauge accords with the views on this subject which we have continuously advocated since it became certain that an enormous extension of Indian railways was definitively determined upon. But, as four or five of the most competent professional men at home consider 2¾ feet sufficient, and as "C.E.," with his long Indian experience, shows tangible reasons in favour of that system, we must, perforce, in behalf of uniformity, surrender our preference for the 3½ feet gauge. The great position of the battle is won. The present wasteful and cumbrous "standard" system of Indian railways has reached the term of its dominion; and though the Khangaum and Delhi to Rewaree "State Railways" are constructed on the *cutcha* broad gauge pattern, no one will seriously defend such hybrid constructions. . . .

Of late years it has been seen, not only that there are limits to Indian prosperity in rate of growth, but that those limits may be soon reached and overpassed by lavish expenditure on European constructed public works on a scale and in a style adapted for the wealthy, thickly-populated countries of Western Europe. This is especially the case in the matter of communications. The immense value of them to India is seen more clearly then ever. But it is also understood that by adapting our railways, our canels, our tramways, to the poor districts they have to traverse, and to the great distances that produce must be carried from seaboard to central territories, far more will be accomplished than by extending the present magnificent railways, which may have to pull against dead weight for a generation before they yield even a bare English rate of profit. Now that the jarring authorities have agreed to adopt the modern economical and manageable system, we trust no more time will be lost. As soon as surveys have determined that any line will yield its proper return, every effort should be made to carry out the work in the shortest possible time consistent with soundness of construction.—*Nov.* 15, 1870.

RAILWAYS AND MILITARY SCIOLISTS.

THOUGH the crisis in the battle of the Indian gauges may be considered to be now passed, there is much to be done before the *debris* can be cleared away, and each party shall be at liberty to retire to its cantonments, and work away at the ordinary business which both wish to push forward—that of multiplying communications throughout this country. . . . . .

Save with a few tenacious engineers who may have special fancies for some particular style and width of permanent way, there is, in respect of this question, now no hesitation anywhere, except as to the supposed peril that might be caused by break of gauge. It is assumed by some, and feared by others, that in some period of dire military exigency the British Empire in India might be lost in the single day or hour that would be occupied in transhipping a regiment of cavalry or a battery of artillery from one line to another. No matter that by dint of a new, sound system of economically designed railways, rapidly carried out and widely multiplied, the said cavalry or battery may have been transported

five hundred miles in the time it would now take them to travel fifty; we are asked to fasten our attention solely on the day or hour that might be occupied anywhere in passing from the old to the new rails. It is difficult to know how to deal with one-sided reasoning of this kind, which evades the real point at issue—which is, how to make the best use of materials *available*, and how to provide for circumstances which are *likely* to arise. Questions of a sternly practical nature like this are not to be decided with a sublime disregard of limitations of means at disposal; nor is it permitted to any nation, desiring to live for the next century, and discharge its obligations, to spend an extra £20,000,000 to £30,000,000 necessary only for providing against a problematical contingency. As to the subject of means available for providing India with 10,000 additional miles of railway, life is too short to permit of that beaten track being travelled over again. . . . Therefore, those who are (or were) responsible for the future as for the present welfare and safety of the Indian Empire, and who feel that responsibility as much as men can do, considered that it would be profligate folly—merely for the sake of convenient uniformity in a peninsula of 1,500,000 square miles—to spend £20,000,000 to £30,000,000 needlessly in a country which is pining for lack of capital. It is admitted that our preliminary statement of this gigantic public works question is "accurate"—namely, that "we are to consider not what we should *like* to do, but what we *can* do;" and, in view of the facts and history of the problem just briefly summarised, we affirm, without fear of refutation, that the Indian Government *cannot*, in any working tangible sense of that term, "complete the great trunk lines on the standard gauge." Though no one who has fairly tried to apprehend the subject in all its breadth will attempt to refute this statement, it may, perhaps, be contradicted, on the ground that the British Government *can* do anything it likes, even though India be ruined in the doing of it. But this is not a principle that can be proceeded upon by those who do realise their imperial responsibilities.

It must be borne in mind, all through, that the only substantial point at issue is, whether a huge capital shall be sunk, and ten more years' delay in construction endured, in order to secure railways of uniform plan for the purpose of exceptional military strategy that may, or may not, be required once in a century? . . . It is idle to consider the military bearing of the break-of-gauge question, except with those who can admit that it is a matter of proportion and degree, and one to be considered along with other circumstances; but we are again assured that, as the lawyers phrase it, the rule must be made absolute. The value of uniformity in the Indian railway system is "inestimable," because in the precious hours or moments of transhipment, a battle, a campaign, or even the Empire may be lost. Now where does this lead us? Why, far beyond the beggarly railway system altogether. Engineers can do anything with money; and money is of no object when possible, though remote, military contingencies are to be provided for. Therefore, as "in war, time is of inestimable value," and as invaders may come without notice, it is necessary to have constructed from each of our principal depôts to the ports and the North-west frontier a big pneumatic tube, through which, on receipt of a telegram, there can be instantly propelled a regiment or a battery, just as the Camden Town post office used to transmit its bags of letters to St. Martin's-le-Grand. There is another alternative: the enterprising firm of Cannon Street that recently offered to transport provisions by wholesale into Paris by means of a steering, navigable ærial fleet, might be induced to contract—expense being no object—for the prompt transmission of troops and munitions of war either to the frontiers or to any strategical point that may be designated by a committee of military experts. Thus the battle of the gauges could be forgotten, and the toiling locomotive would be superseded. . . . . .

It is of incomparably greater importance that we should have railways *soon*, and *many* of them, than that we should have a theoretically complete strategic system for which we should have to wait half as long again, and then have traffic saddled for all time, by making it sustain the burden of the "hideous waste of power" inseparable from any compromise with, or adaptation of the present standard gauge. Those who attach so exaggerated, not to say "inestimable," importance to break of gauge as affecting military transport and supply, do so, we believe, mainly because they vastly overrate the capabilities of any, even a uniform railway system in India. Let them work out in detail a few considerations affecting the despatch of troops of different arms in India for field service under any circumstances; then let them take into account the special facilities that

would be provided at all vital points of junctions by the third rail under Mr. Fowler's proposals, and the centre rail under the Strachey-*cum*-Dickens's proposition. If in this review they allow due scope to the sense of proportion and just comparison, they will soon cease to interrupt, by their impossible demand, the settlement of this too-long delayed public works question.—*Jan.* 13, 1871.

RAILWAY OUTLET FOR THE SOUTHERN DECCAN.

THE publication of the "Papers Relating to the Proposed Railway from Carwar" will bring to a head the long intermittent discussions on one of the most interesting public works projects in this Presidency. Not that these papers afford all the data required for a final decision; but they plainly lead up to what is yet wanting, and show the path in which the engineers must proceed to their closing investigations. It is also shown that one essential factor in the problem may have to be replaced, that is as to the point beyond the Ghauts to which the line should tend. We have, therefore, above purposely omitted the words "to Hooblee." Notwithstanding that Mr. Buchanan's and the other engineering reports are dominated by the foregone conclusion that it was imperative to aim, in the first instance, at that most important town of the Dharwar districts, a review of all the considerations advanced in these papers will lead the non-professional reader to hope that the destination of the line to Hooblee direct, or to Bunkapoor only in the first instance, may be regarded as an open question. We put this suggestion in the forefront of our notice of these papers, partly by way of redressing the balance as against the oft-reiterated assumption that it is necessary to climb the Ghauts towards Yellapoor—where all the proposed routes but one converge—instead of flanking them by way of Sirci and Hungul, as suggested in Major Goodfellow's brief but very significant memorandum. . .

Though scarcely mentioned in this report, it is probable further consideration will show that Bangalore and the Mysore country are at least as suitable and promising as a destination for the Carwar line as are Bellary and the Nizam's districts, and incomparably more important than turning northward to Dharwar and Sholapoor. All these extensions may eventually be made; but it appears to us that an extension south-east across the Toongbudra towards Bangalore would be the one most rapidly communicative, and of most value for military and political reasons. Here we may remark that it is quite unnecessary to overweight the mileage estimate of the Carwar line with the assumption that it could be allowed to stop short either at Hooblee or Bunkapore, or that it is to be made only for cotton. We cannot understand how Colonel Trevor should have been led by any doctrine of Dr. Forbes's to accept the opinion that the South Mahratta Country would have no grain for export. Our own information accords with the statement of the Collector, that there are generally very large stocks of grain in those districts, which by the cheap coast communication from Carwar could be landed at Bombay considerably to the relief of our food markets. The first conclusion is one depending entirely on practical engineering judgment, and we should be glad to accept Colonel Trevor's decision in favour of a wire rope lift, if the permanent way and other original appliances required on that principle would permit of being easily enlarged or altered for ordinary locomotives should the traffic increase beyond the capacities of so primitive a contrivance as the wire rope and stationary engine. As in his third conclusion Colonel Trevor admits that a narrow gauge line would carry the traffic, he throws up his special plea in favour of a hybrid system of broad gauge and *slight* lines. We hope hereafter to do full justice to his reasoning on this subject, which is connected with financial issues of the greatest moment; and we do not fear but it will be practicable to turn some of his arguments against the universal broad gauge system, which at present he defends. It is in respect of the final conclusion that we think Colonel Trevor's bias has a little got the better of his own logical skill and scientific judgment. According to his own showing in his report, the "circumbendibus line" could only be "a more remunerative undertaking for Government, and more advantageous to the general public," at the cost of the traffic itself; while such a patched and cumbrous scheme could only be brought into use at all by sacrificing all the multiform advantages that must follow from utilising the safe harbour of Carwar, and effecting an independent communication between the sea and all the Southern Deccan.—*Dec.* 1, 1869.

II.—It is wonderfully relieving to many minds to have a large and difficult question disposed of in a few lines. Such a feat was thus accomplished by our daily contemporary, by way of parenthesis, in course of many much better weighed remarks last Saturday on the Carwar Railway project :—

We are glad also to note that Colonel Trevor, showing his usual sound sense, is opposed to the foolish idea of a narrow gauge, although he points out that, considering the traffic, the line and the rolling stock might be lighter than the general run. We are convinced that a break of gauge would entail great loss and inconvenience, and would be a fine specimen of that penny wisdom and pound folly with which the teachings of the more-haste-less-speed school among our advanced progressionists abound.

This is a concise transcript of the popular opinion and prejudice which prevail on the subject that is so cavalierly brushed aside. It is by no means incompatible with the " usual sound sense " of Colonel Trevor that, in common with the majority of English and Indian engineers, he should be strongly dominated by his prepossessions in favour of that railway system which happens to be in possession of the Indian field. It is scarcely needful, however, to remark that Colonel Trevor's dictum, highly as we esteem his usually well-supported opinions, will be of little avail to settle the question whether the " pound folly " is to prevail, which would force over the whole of this wide and often poor country a railway system that is suited only to a coal and iron producing country like England, and which is scarcely a financial success amidst the comparatively short lines and highly lucrative traffic at home. It is at least highly desirable that this question should be fairly looked at before fresh railway ground is broken in India. The two sentences quoted from our contemporary do not even beg the question. To treat it in this fashion is an attempt to stamp out the discussion at starting. This method, as we have said, is very facile, and decidedly popular with the large numbers who can only read as they run; but our contemporary may rest assured that a great question of Public Works administration, involving a first expenditure of £20,000,000 and corresponding results as to profits and returns, will not be settled off-hand or on the principle that whatever is, is right. As to this Carwar line, Colonel Trevor admits that a narrow gauge will carry the traffic, and—besides that he has probably fixed the relative cost of the cheaper system far too high—he will have to adduce much stronger reasons than yet appear for adopting there the present heavy, costly system, or for introducing an imitation of it in a lighter style, which may invite insecurity and bring economical railway construction into undeserved disrepute.—*Dec.* 4, 1869.

III.—By chance coincidence, on the same day last week on which our article appeared relating to the South Mahratta Railway, an advertisement was drawn up calling for surveyors to aid in carrying forward investigations in respect of that project, from the stage at which last year's surveys were left, as described in Colonel Trevor's report and the other papers published therewith. It is satisfactory to have some evidence that new railway communications for this Presidency do not necessarily occupy a less prominent place in Viceregal solicitude than is obtained by projects in the Central Provinces, or those in the barren and remote regions beyond Lahore. . . . Should the South Mahratta Railway, as it must eventually, be carried eastwards and southwards, the land-locked and grain-producing districts of Mysore and the Nizam's territory will yield large supplies for this market.

The prospect of a future connection with Bellary and Bangalore should, if rightly regarded, put an end to any jealousy there may be of rivalry between Carwar and Bombay. That port, if the railways from it are economically constructed and judiciously planned, will bring to the western coast a large amount of new trade from the Madras Presidency and the two largest Native States of the Deccan. It will be the fault of the Bombay merchants themselves if they do not secure control over that new commerce, and also much profit from the import trade which, in connection with the small steamers of the Suez Canal, will seek the Malabar Coast when a far more productive country than behind Beypore shall be opened out by the Carwar Railway and its feeders. Far-seeing merchants amongst us quite understand that, so far as the cotton trade is concerned, the great object must be to create facilities for export as near to the great fields of production as possible. Bombay cannot resist this tendency, and need fear nothing from its ultimate results. With our unrivalled harbour and direct railway communication with Central India and Hindostan, we shall have all the traffic that can be conveniently accommodated in this little island and its vicinity. And when most of the "fair Dhollera" shall be shipped from Gogo, all the northern

Guzerat cotton from Broach, and all the Dharwar staple from Carwar, Bombay will then not be less, but more a city of merchant princes and traffickers of the earth. Special laws and regulations may be needed for our cotton trade whilst it is condemned to endure roundabout routes, and must depend on a long chain of middlemen; but when the producer and the exporter or European buyer stand on equal ground, the day of that tutelage will be over. That our staple trade is yet a long way from that stage of commercial civilisation is evident from the formidable nature of this Carwar Railway enterprise, which only serves one large cotton field; while the utilisation of Broach and Gogo as places of direct export is a design only beginning to be thought about.—*Jan.* 24, 1870.

IV.—We give more than due prominence to a letter entitled "Coompta *versus* Carwar." Its composition is unexceptionable; the meaning of the writer is plain enough; moreover, we know him to be fully competent to express an opinion on the general question raised in his letter. It is probable, also, that he has some special knowledge of the particular public work referred to—though that knowledge is, apparently, neither recent nor full. Notwithstanding many advantages on the side of the writer, the letter is one of a class which makes us sometimes despair of anything effectual being done towards supplying the country with communications which will really touch its productive powers. Under this term we include, besides railways and roads of all kinds, canals and ports. As a general proposition, though subject to qualifications in every instance, it is, as our correspondent remarks, most expedient and equitable to provide communications in the first instance for centres and routes of trade that already exist. It is to neglect of this elementary and obvious principle that we must attribute a considerable portion of the ruinous deficiency in our present railway traffic returns. But in applying or deviating from that principle, the special circumstances of each case have to be carefully considered. In regard to alternative railway routes and similar matters, we have strenuously insisted on the necessity of full and exact examination, aided by the indispensable assistance of public and extra-professional discussion. . . . . .

It is utterly undesirable to waste time in reviewing the question, if ever there could be one, as to the relative merits of Carwar and Coompta as ports. Perhaps we may be asked to cite evidence on the subject. In the first instance, we would refer to our own columns, wherein at various times during years past the special advantages of the port of Carwar, in connection with the land-locked position of the Dharwar collectorate and its export products, have been set forth in every point of view. But as these references may seem wholly vain to the much-regulated Public Works Department mind—and on the will of that all but irresponsible department this and all similar decisions rest—we would therefore point to its own shelves, where in divers minutes, letters, and reports all that could be said on behalf of the open roadstead of Coompta is duly recorded. . . . We have steadily maintained that the railway must be located so that it will intercept the greater portion of the Coompta traffic, and directly serve all the southern portion of the Dharwar collectorate. . . . This remark brings us back to the important letter on this part of the subject which appeared in our Wednesday's paper. Every portion of that letter demands the careful attention of all who are responsible for making the Carwar Railway a remunerative undertaking—and such it can be made by professional skill, common sense, and local knowledge, each applied in due proportion. . . . But whilst they see the "State surveyors" making a pleasant field parade on the plateau in the latitude of Hooblee, or even further north, as if with the object of making some ornamental roundabout land line, the Coompta men can do no other than stand by their open roadstead, rude godowns, and lumbering bullock-carts. All this time the cotton, both the saw-ginned (utterly neglected by the Cotton Department) and the indigenous Coompta, is "bunded up" in the districts until next November.—*April* 28, 1871.

POPULAR SIDE OF PUBLIC WORKS QUESTIONS.

IN the recent Railway discussion which is now closing, and, we trust, in the right direction—that of a wise economy and scientific adaptation of means to ends—there was good reason and ample scope for a previous question to be raised. It was open to any one, either in the Executive Government or outside it, to argue that there was much

more to be taken into account than the simple problem, whether 10,000 miles or all future Indian railways should be made on broad or narrow gauge—immensely important though that problem was. Only brave Sir Arthur Cotton, of all our public men, had the force and clear-sightedness to raise the wider and older, but perhaps yet more urgent question, whether water was not better than iron. We have presented the people of India with 5,000 miles of railway, costing from £14,000 to £21,000 per mile, and leaving an annual deficit to be paid from their pockets.

One would think that any man of common sense, looking back on the history and traditions of India, surveying far and wide over her extensive plains, and noticing in her hilly tracts and her deepest jungles the presence of fertilising tanks or ruined bunds, would have suggested that canals or irrigation channels might be more productive or more in accordance with the wants of the people and the clime. Perhaps these mistakes arise because the people at large have no voice, no strong public opinion, brought to bear on these questions, and that in reference to all these matters, supremely affecting them, they are thrust, perhaps, into the background, or their views disregarded. That may be the reason why they have railways given them rather than navigable canals, why iron is brought from Europe in English ships, and English engineers and surveyors plot and plan expensive railways and magnificent bridges for which the masses pay, instead of their fields being fed with water, now poured on the land in vain; while India's iron is unutilised, and indigenous intellect and talents are not trained for the people's own advancement. . . . . .

The natives of India, as compared with us, are not fools because they are vegetarians of the tropics and we beef-eating denizens of the temperate zone. They are as intellectual and clear-brained as are our own race. The people of India have their own opinion as to why we make railways and not canals, why we bring iron from England and do not work the iron of India. As a matter of politics, there never was a more short-sighted policy than to run counter to those practical convictions which the people have cherished from of old. Unless we have really the good-will and just feeling of the majority of the people on our side, no railway or no army would save us in an extremity.

We have hitherto, in many of our public works schemes, commenced at the wrong end. Because railways answered in our own little flat island of the West, therefore it was too readily assumed they must do so in India. The first requisite that must be secured for a people is a certain and sure supply of wholesome food; this comes before clothing, before locomotion. Since 1837, the year of the Guntoor famine, up to 1868, the period of the Orissa famine, seven millions are calculated to have died of hunger. The figure is overwhelming—let us say five. Have we been so carried away by our egotism, by the show and apparent dignity of railways, that we have been led to thrust that expensive luxury on a country whose first want was water—water for her life—water, her cheapest mode of transit? Having given her this, in the first instance, she would soon have demanded—indeed, required—the other blessings. With a fertile soil and extended irrigation, with carefully developed manufactures and well worked mines, the people might then have afforded quick and expensive carriage. Thus we should have acted, if in our pride and haste we had allowed ourselves to consult the natives of the land and consider their needs. If we had but allowed common sense to guide us, we should, looking back on the historical traditions and on the visible memorials of the country, have seen her greatest and paramount wants, and we should then have sought out the wishes and wants of the native rulers and chiefs, asking them to point out and help us in giving effect to the removal of those wants. Common sense would have dictated that the resources at our feet and the bright intellects around us should at once be brought into active operation to do that which our imperative duty pointed out. This we have not done. We have allowed our political arrogance, our anxiety about military power, to interfere with our clearly defined duty. Not, certainly, that this has arisen from any individual want of honesty in our statesmen, for what would appear dishonesty in the individual may seem but clever policy in a nation. It may, nevertheless, appear dishonest in the sight of the people. . . . . .

The people in India are entitled to be asked to decide what they want in the matter of public works, and also to have some say as to how the money shall be spent. Unless the natives of India and the Indian public make their voice heard, and insist upon taking their share in the development of the country, and unless they obtain a position which shall enable them to have a powerful control over Indian expenditure, our financial difficulties must thicken in the future.—*Sept.* 17, 1873.

MERCHANTS' JUDGMENT ON PUBLIC WORKS QUESTIONS NOT INFALLIBLE.

AS if the cause of the opponents of the Carwar line had not been damaged enough by the assertion that the Dharwar districts do not produce surplus grain, and by the organic blunder made in taking Colonel Kennedy's maximum and exaggerated working expenses to set against Colonel Trevor's traffic returns as erroneously reduced by his critic, our daily contemporary has done these gentlemen the ill-service of reproducing the romantic memorial of July, 1869, wherein it was proposed to "utilise the Bhore Ghaut" by bringing Coompta cotton over it, thus subjecting produce to land carriage of five or six hundred miles when one hundred would suffice. . . . . .

The ludicrous reference to the "utilisation of the Bhore Ghaut," if it were not a random shot entirely, can only have come from one interested in the increase of Great Indian Peninsular Railway returns, or utilisation of its "surplus stock," as no one unconnected with this company could possibly have dreamt of using such an argument in favour of dragging the produce of the Dharwar districts round by Poona. Experience, that remorseless leveller of theories and prejudices, has already proved that there is no occasion for transhipment of cotton at Carwar. The bulk of the shipments go thence to England direct, so that the supposed advantage of the "uninterrupted communication" during the whole year *via* Sholapore need not now be considered even in regard to the bugbear of transhipment. . . . . .

The determined opposition to this useful public project by a few ill-informed partisans, and the reproduction of the ill-advised petition of a portion of the Chamber of Commerce, are not calculated to retard the progress of the Carwar line—by a single day. And as Government is not likely to consult either the Chamber or our contemporary as to the political merits of the two lines, nothing need be said on that head.

This question has been so often before our readers that those who are well satisfied with good reasons when they get them, must be heartily tired of it; but we should be failing in our duty to one of the most promising public works projects of our time were we to allow to pass without notice reiterated statements which have been successfully refuted in years gone by, or to see brought forward without rebuke forgotten documents which many of the 1869 men would now wish to consign to oblivion. That this railway must be a success, no one who looks into its conditions, and who takes note that it will unite the Malabar Coast directly with some of the most fertile districts of India, can doubt. Seldom has a railway been proposed in India which has been so favourably reported on by the professional advisers of Government, nor has any similar project been laid before the Secretary of State with so high recommendation from the Supreme Government.—*June* 22, 1872.

II.—During the last fortnight several of our active mercantile men have given more attention to questions of communications and to railway economics than they have ever done before, except just at the points where these matters affected their immediate interest; and we sincerely trust this new bent to their attention and spare energies will continue long after the passing away of the extraneous and, in great measure, factitious stimulation which has in this instance roused the Chamber to an extraordinary though tardy effort. Many times have we observed with surprise and regret the continuous neglect with which our commercial community, both here and at Calcutta, have treated this weighty national subject—their obliviousness of its grave financial aspect—their indifference to the now demonstrated fact that the railway system hitherto carried out in India is unsuited to the geographical and commercial conditions of the country, and the utter absence, on their part, of any effort to support the Government of India in its well conceived but somewhat halting steps towards a thorough reform of the present ruinous broad and heavy style of railway construction. . . . As to Mr. Kittredge, who is nothing if not combative, and, on this subject, little else besides, we shall at once have to claim him as an ally, involuntary and unconscious of course, but still a serviceable ally in pushing on the light and reformed system of Indian railways. . . . . .

The present moderate estimate of this line from coast to plateau is a fair exemplification of what can be done on the metre gauge by men whose hearts are in their work, and

who are willing to cast off the shackles of habit and professional prepossessions. We may venture, from some little acquaintance with the subject, to predict that when the Arbyle Ghaut works are so far advanced as to permit of exact professional description, the reading of that description at the Institute of Civil Engineers will mark an era in railway enterprise. Perhaps we ought to say "in India;" for in Norway, in Ceylon, and Australia, this lighter, more manageable, and incomparably more economical method of locomotion has long been naturalised; and, if we mistake not, Mr. Kittredge will find that its advantages are rapidly being recognised in the United States. . . . . .

And now one word as to Mr. Kittredge's innocent question—what advantage has the Carwar over the Indore line? We must, it seems, once more remind him and his friends that Carwar is on *the sea*. They can surely understand that some considerable additional cost must accrue on all the ironwork of the Holkar's line, the base of which has 400 miles of railway carriage between it and the sea, while the Hooblee line has its own terminal port as a base. . . . . .

With regard to the question of carrying fuel and stores over existing railways, we have often been surprised by men who ought to know better expressing the half-view embodied in a remark by Mr. Graham to the effect that "if some expense is incurred in carrying material (300 miles), to Sholapore, it is so much gain to the country through the Great Indian Peninsular Railway." Mr. Graham is by no means singular in laying hold of this delusive notion. . . . Persons who look only on the surface say the extra sum goes into the coffers of the State, and *pro tanto* saves the revenue, forgetting that it is only the narrow margin of excess over working expenses which is so available, while the sum that would be dispensed by road, river, or canal, goes much more rapidly back into the hands of the people, and that, where you have the sea for a base, as at Carwar or Kurrachee, by far the larger part of the outlay might be saved altogether. Mr. Kittredge declares that merchants do not want cheap carriage, but speedy, regular carriage, and adds, "we are willing to pay for it." There he unconsciously exhibited the hard, stern selfishness of the mere trading spirit. Who are "we" that are "willing to pay"? Will any firm or set of merchants pay a single rupee per bale more than the cotton is worth in this market at the time of buying? And is not the price here ruled by the supply in Liverpool and the Manchester demand, wholly irrespective of the cheap or dear carriage that the bales cost in coming to Bombay? On whom, then, does the loss fall that is represented by the *fifteen rupees* per ton of avoidable cost which a section of the Chamber is proposing to fasten for a generation longer on all the export produce of the Dharwar districts? Certainly that fifteen rupees will not be lost by the merchants, but by the cultivators, by the dealers, and by the State which represents the permanent interests of the country. . . . . .—*July* 13, 1872.

III.—Men of better engineering capacities than the vivacious speaker at last Wednesday's meeting have also regarded the estimates for the construction of the Carwar to Hooblee line with interest and surprise, but for reasons altogether different from those which sufficed the said orator, who thought fit to denounce those estimates as "absolutely absurd." Just now, when the estimates for so many of the metre-gauge lines are being revised, or are awaiting final sanction, it is only likely that the Government of India should desire to test the estimates of the engineers more immediately under its own supervision by these very moderate figures for a railway which was supposed to present special difficulties. It will be found on consideration—which, of course, Mr. Molesworth has satisfied himself about by actual examination—that these difficulties are really much less formidable than appeared until the latest surveys. Yet even taking into account the natural peculiarities which, in one way or other, afford facilities on these Carwar Ghauts, very much credit is due to the engineers concerned. Their moderate estimates are one proof of engineering success; and though their figures scandalise Mr. Kittredge, the Government of India are attracted by them in the hope that on similar principles modifications may be introduced into other State railway estimates of first cost. . . . These men of commerce are bewildered and perplexed with an estimate of 145 miles of railway built sound and strong for less than a million of money; but the cause of the perplexity and absurdity is in themselves, not in the engineers. . . . . .

We can understand the Carwar to Hooblee line being opposed by men who take

their stand on the proposition that no more railways should be made until a few millions have been spent on cart-roads and tanks; but whilst simple arithmetic and plain logic hold their sway, we cannot understand men denouncing the line from the port to the cotton-fields, while they advocate another railway from Belgaum to near Poona, a line that must cross the upper courses of the whole watershed of the Western Ghauts, a line which could in no appreciable degree lessen charges on any export products whatever. Still less can those persons be understood who, while denouncing the Carwar line, advocate, in priority to that railway from the coast, an extension from Sholapore, after the crushing demonstration afforded by Mr. Forde's letter of the profligate waste that would be involved in such a course. Let us add, the two-and-twenty merchants may soon find out that they have been playing into the hands of the old Bengal party, which, as long as it could, grudged and refused to Western India that proportion of public works funds which is due to the large *pro rata* revenue contributed by our population.—*July* 17, 1872.

FINAL REPORT IN FAVOUR OF THE CARWAR, HOOBLEE, AND GUDDUCK LINE.

THE Report of the Committee appointed by the Bombay Government to revise the estimates—including those of first cost, working expenses and traffic returns—pertaining to the Carwar and South Mahratta Railway system generally, being now before the public, there should be an end of controversy. . . . As will be seen from the Government Resolution which we publish as introduction to the Report, His Excellency in Council feels no difficulty in deciding as to the practical result of the Committee's investigations: "he now feels in a position to recommend in the strongest manner the construction of the line from Carwar to Bellary, with a branch to Bunkapur." He discards decimal calculations of profits, being fully convinced that there is every prospect of the railway "yielding a direct return sufficient to make good the interest" on the capital outlay. His Excellency also is made to say that the Report goes to "disprove the vehement assertions made some time since to the prejudice of the Carwar Railway scheme." . . . The total figure for cost of the whole line stood, as finally settled with Mr. Molesworth's revision, at Rs.81,62,350; but the Committee have piled up additional and varied estimates that would make the total first cost amount to Rs.1,10,00,000, or say a million in round numbers. It is this addition of £40,000 which brings down the anticipated profits to 4 per cent. or under. . . . . .

The great defect of the Report, as it seems to us, is that it affects to ignore the palpable consideration, that in this light railway project it had to do with an organisation and conditions widely different from that of the existing lines. If the Committee were of opinion that the advantages of the new system are not so great as is alleged by its supporters, they should have said so; but as it is, while—very unwillingly, as it would seem, from the tone of the Report—they carry to the credit of the project the favourable estimates that cannot be suppressed, they carefully avoid attributing that credit where it is due—namely, to the lessened outlay and the greatly superior facilities which are gained by the new and lighter system. The route is a difficult one, as all are agreed. We have never forgotten that primary consideration during all the seven years in which we have steadily advocated the examination and, if possible, the prosecution of these much-needed public works. It is the metre-gauge and the lighter system which have at last sufficed to overcome those natural obstacles which seemed at one time to overbalance the one great physical advantage—a short cut direct from the sea into districts favoured above the average in fertility and thriving population. These broad considerations as to the special engineering interest which attaches to the Carwar project, ought to have found place either in the Report or in such a vigorous "dissent" as at least one of the members could have written. But, let us rest and be thankful, the end is gained.—*Feb.* 6, 1873.

II.—For an instance of "tearing a passion to tatters," commend us to the leading column of our contemporary yesterday, in which the Carwar Railway Report, and all concerned, from the unfortunate printer to the unlucky but, we trust, not overwhelmed Sir Philip Wodehouse, are soundly rated and treated to a renewed explosion of

"vehement assertions." . . . Having thus very inadequately referred to the scandalous insinuations with which it is thought fit to back up the local partisan opposition to one of the best railway schemes ever matured for India, we must cull two or three flowers of invective with which this "destructive exposure" is garnished. The public are told that the Resolution—in one place described as "this insane Resolution"—makes "sweeping erroneous assertions, and assertions which find no support in the Report," and that it "is eminently calculated to deceive." Again, the oracle declares: "We say the Resolution of the Bombay Government on the Report is grossly untrue in almost every paragraph." The hardihood of thus giving the lie direct to the authorities who bear rule over us is matched by the absurdity of the proposal comprised in the same sentence—to wit, that the Reports, the Resolution, and (it follows) the evidence and witnesses, should be sent before "a Judge of the Supreme Court at Calcutta." Surely we have reached a climax here; though, to give a finishing touch to this artistic and elegant criticism of a plain public works project, it is needful to glance at the concluding paragraph, where His Excellency Sir Philip Wodehouse is snubbed for his presumption in giving his opinion in favour of the Bellary extension as well as the Carwar line. This may all be very amusing, but it is high time the public at a distance were fully warned not to connect this "style of tactics" with the mercantile community of Bombay. . . . . .

One more accusation of partiality we must notice, though it also is palpably absurd to those acquainted with the facts. We are told that Messrs. Shaw and Forde, "who have been identified from the commencement (?) with the interests [sinister imputation again] of the Carwar Railway, were the only civil engineers examined." What about Mr. Le Messurier? We find not only that he was examined, but that he had the start of other witnesses, and that his evidence occupies about half-a-dozen of the large folio pages. And then what about Mr. Currey himself, who, though not an engineer, is intimately acquainted with the working, and strongly inclined in favour of the big and heavy system of railway communication? These influential witnesses (we class Mr. Currey as such here) were manifestly matched against Messrs. Shaw and Forde. They would necessarily feel that the existing system and the standard gauge were on their trial. Their strenuous efforts to bear hardly (not unfairly) against the new and lighter system were to be expected; and we anticipate that when the evidence comes to be scrutinised from an impartial professional standpoint, it will be seen that the failing of the Committee is in not having given as full effect as it might fairly have done to those strong points of superiority—facility in overcoming physical obstacles, economy in working, reduction in dead weight—which the new system, as represented by Messrs. Shaw and Forde's evidence, undoubtedly shows. . . . . .—*Feb.* 7, 1873.

THE DUKE STOPS THE WAY.

IT is very plain that the present Secretary of State (Duke of Argyll) is a very lukewarm follower of his predecessor (Lord Cranborne), who inaugurated his tenure of office by describing the present time as the era for India of "peace and public works." It was, we believe, irrigation projects which Lord Cranborne had chiefly in mind; but few of these have been accomplished or even undertaken in the arid tracts where they are most required. We are thinking of railways; and, in regard to these, it is evident from the evasive and shuffling reply of the Duke of Argyll in putting off the Carwar line indefinitely, that the India Office in its present mood will not sanction a single mile of railway if it can find an excuse for postponement—always excepting if the district can get up a famine and institute a claim for relief works. Tried by the rigid standard set up in the despatch of November 6th, the Northern Bengal Railway, but for the present scarcity, would have had a very slender chance indeed; and the Rajpootana line, which our merchants desire so much, has no chance whatever until there be again a famine in those arid districts—as in 1868-69, when the line, if already constructed, would have furnished the means of keeping alive many thousands of souls who perished from want.

It is true that the decided antagonism to further railway extension which we trace in His Grace's despatch, does not logically follow from the very reasonable proposition thus laid down—"and no purely commercial railway can, consistently with the principle prescribed for the expenditure of loan funds in public works in India, be undertaken, unless

its estimated nett revenue be, at the very least, equal to the interest payable on the capital proposed to be invested in it." What we affirm is that this condition—"estimated nett revenue be, at the very least, equal to the interest payable"—is fully fulfilled in the case of the Carwar, Hooblee, and Gudduck project, and that if the India Office cannot "see this," then it is hopeless to expect that it will see any other railway project that comes within the prescribed condition. . . . . .

But neither the Duke of Argyll nor Mr. Grant Duff have time or patience to look closely into the circumstances of the most fertile district, in the Bombay Presidency, which in this despatch they condemn to prolonged exclusion from the modern facilities which its export trade demands. At the time when the despatch of August, 1872, appeared, we pointed out the absurdity of the position taken up—namely, that the increasing cotton production of America would supersede the Indian export of the staple; but it appears the India Office is still ignorant of the conditions of Indian cotton cultivation. It does not seem to have occurred to those eminent men, that if the market price of Indian cotton is depressed by competition—a rivalry which is aided by all available machinery and locomotion—there is, therefore, all the more need to lessen the cost and facilitate the early delivery of the Indian staple. If the great men at the India Office can only instruct the Collector of Dharwar and the cultivators of the South Mahratta Country how to produce some export less bulky and more valuable than cotton, everyone will be delighted; and the clumsy cart of the period, or even pack bullocks, might suffice to remove the new export from Dharwar to the coast. But, unfortunately, it appears that if those districts cease to grow cotton as their staple, it can only be replaced by some equally bulky article, or one which will have to be collected from a wider area. . . . .

The little project to make a line from Bellary to Gudduck may "take" at the India Office, where the dynamics of communication are so ill understood that it may be deemed expedient to arrange for bulky produce to be hauled 380 miles to the more distant coast of Coromandel, instead of 120 to the more accessible coast of Malabar. Thus, His Grace of Argyll seems willing to help on to the due *reductio ad absurdum* that patriotic effort of twenty Bombay firms in 1872, by which a large part of the cotton trade of Western India will be transferred to Madras—just in time, by the way, for the new harbour that Mr. Parkes is going to provide for that port.—*Jan.* 1, 1874.

LISBON WISER THAN THE DUKE.

LAST week we gave some of the later information obtainable regarding the project popularly spoken of as the Goa Railway. Let us now take a brief retrospect of the larger questions of which that project is, for the present, the outcome. The public work most urgently needed for Western India we have long considered to be some facile mode of communication between the Malabar Coast and the Southern districts of the Deccan. . . . It may safely be affirmed that no district of this Presidency is more fertile or enjoys a better agricultural climate than the Collectorate of Dharwar, but no district is so much shut out from efficient communication with the outer world of trade. Let this exclusion be overcome, and the enhancement in value of produce and property which would accrue not only to the Dharwar Collectorate, but indirectly to forlorn Kaladghi, the southern taluks of Belgaum, and the extreme western districts of the Madras Presidency, would be such as to exceed any similar improvement that has been witnessed of late years in any other part of India. All this may be taken as proved: though it is only merchants who have attempted to trade with these southern districts of our Presidency, and a few well-informed revenue officers, who can fairly realise the immense improvement that would arise in the condition of the now land-locked southern districts which we have just indicated, were they placed in direct, safe, and cheap communication with the Malabar Coast. . . . And it must be remembered that even the cautious Government of Lord Northbrook admitted that claim, and, years ago, advised the construction of the Carwar-Hooblee Railway. It was the India Office which thwarted the carrying out of that beneficial project—when both iron and silver were cheap—thereby bringing on the officials concerned a heavy responsibility for the serious loss of life and great destruction of property which that railway would have wholly averted had it been made by 1877-8, as but for them, it would have been. We do not think it is possible to put the case more

strongly, nor is it needful, as everyone concerned will now admit the force of it. This is done by implication, in our Chamber of Commerce's letter published a fortnight ago; but we wish that influential body could see its way to speak out more emphatically on this subject of large practical importance. . . . . .

But it will be said this great public work is already well in hand under the form of the Marmagao to Belgaum and Dharwar Railway. Well: we are not kicking against the pricks, and are ready to acknowledge that, in principle and leading features, that scheme will subserve the essential purpose which ought to have been attained years ago by a Carwar to Hooblee and Bellary Railway. We cannot, however, refrain from contrasting the public spirit and prevision shown by the impecunious and straitened Portuguese Government in promoting that undertaking, which should, by comparison, throw lasting shame on the doctrinaires of the India Office, who so wantonly sacrificed British interests to their own purblind notions. It may be said that the Portuguese Government does not itself find funds for this work. Neither would the Government of India have to do that. The Lisbon Government did all that could be expected; and, like business-men, made the best of the chance that offered for securing the execution of the public work so as to benefit their own territory as much as possible. Have they not devoted to this purpose the whole of the four lakhs of annual compensation awarded them under their hardly contested treaty with the Government of India? They have also, under the same instrument, placed the future railway under as close control, on occasion, as are the guaranteed lines in British territory. And if the Duke of Sutherland and other British capitalists have been induced to find funds for the Portuguese Government instead of for our Secretary of State, so much the worse for financiers of the India Office.—*June* 12, 1880.*

THE GUARANTEED SINKING FUND: THE RUINOUS SINDE AND PUNJAB RAILWAY.

WE have been favoured with an early slip containing the full report of proceedings at the annual meeting of the "Sinde, Punjab, and Delhi Railway Company"—with the ever-sanguine Mr. W. P. Andrew in the chair. . . . As the chief object of pushing their publication appears to be the dissemination of Mr. Bidder's and the Chairman's anathemas against the light railway system for India, we are unwilling to exclude what is opposed to the position which we have so long taken up in this question. . . . Mr. Bidder, it must be admitted, is a man of heavy metal; but he is so intent on fanning the popular prejudice against break of gauge that he fails to perceive that his "logic of facts," drawn from experience in the former battle of the gauges, tells strikingly in favour of pushing forward the metre-gauge in India, and adapting to it the present financially hopeless system as far as that can be done. The report is not very clear at the point to which we refer, and perhaps this is because it had suddenly flashed on the too-confident Mr. Bidder that his arguments, from experience, cut both ways. He seems to forget, as too many other persons do, that the battle at home was decided in favour of the narrower gauge, itself one-fifth smaller than the "standard" forced on this country, which it is sought, vainly we trust, to make obligatory on all India. . . . . .

It is all very well to exult over slight increases in the gross traffic receipts; but nothing can be hoped from a railway the working expenses of which are from 75 to 90 per cent. of its gross returns. . . . Moreover, from the table of "General Results of all Indian Railways, up to June 30, 1872," we publish in another column, it will be seen that on an outlay in working expenses of 22½ lakhs, this line in that period only realised a net return of 6½. And as the "rain damage repairs" for the same period will amount to 7½ lakhs, it is plain that the whole 5 per cent. dividend will have to come out of the general revenues of India.

There are a few remarks in the report—though not so full and explicit as could have been desired—which go to throw some light on the disasters which have befallen the Punjab line, and the probable effect of these deplorable occurrences. . . . Mr. Bidder's apparently clear and consistent statement throws on the Government of India the financial responsibility for the disastrous failure of the Sutlej and other Punjab bridges.

* This Extract is from the *Bombay Review*.

In case any of our readers, in perusing the ingenious speeches we reproduce, feel themselves drawn into a feeling of opposition to the thorough railway reform which the Government of India has taken in hand, and are inclined to desire the extension of the present costly system in one direction or other, we would mention a compilation that has just come in our way which might serve as an antidote. It is a volume intended only for private or professional circulation, put together by Mr. T. W. Armstrong, M.I.C.E., Public Works Secretary, Central Provinces, aided by Messrs. O'Callaghan and Binnie, of the same Department. . . . . .

In those two factors—"constructed at reduced cost," and "can at a lower rate for working expenses do the same work as the original lines,"—lies the secret of the enormous financial and industrial superiority which, *for India*, the metre-gauge and lighter rolling stock offer, in comparison with the present line of sixty-six inches broad, with its ponderous engines, and trucks, and carriages, involving the haulage of an enormous surplus of dead weight. It may be that the vested London interests of the powerful guaranteed companies, or silly fears about the possibility of invasion from the north-west, or both combined, may result in preventing the thorough carrying out of the more economical and serviceable system; but it is certain as arithmetic can make it that any authorities who now bend before the clamour of London boards and the popular cry of Russophobists will have to answer to the next generation for a grievous and irremediable addition to India's financial burdens. There is yet time to adhere to the economical and independent course of retracing that false step which was taken in establishing the present system.—*Jan. 22*, 1873.

THE LIGHT RAILWAY SYSTEM VINDICATED: WORKING EXPENSES AND THE MILITARY BUGBEAR.

WE print a letter from Mr. Robert Fairlie, whose name is associated with the most modern and finished description of locomotive, though long known under other forms as the "bogie" engine. This make of locomotive is being adapted for use on lines of any gauge; but as its chief advantages—facility for twisting round sharp curves, for overcoming steep gradients, and yielding greater available power in proportion to weight of the engine—all tell with more perceptible effect in conjunction with light railways and narrow gauges, it is with these that the Fairlie engines are mainly associated; and it is as an advocate of this enormous aid to railway extension that Mr. Fairlie appears in our columns. He is, of course, a partisan, as George Stephenson once was, but he has now overwhelming evidence on his side, and cannot be put aside as a theorist. . . . . .

The only "lion in the way" of the radical change in our railway system—if its growl be not already silenced—is prompted by the notion that the Indian Empire might be lost because of an hour or two being occupied in the transhipment of a regiment or a battery. Mr. Fairlie treats apprehensions of this kind very unceremoniously—with much less deference than we have done—but he has good reason for brushing them aside. The adoption of this Livny line in Russia is a case which, as regards break of gauge, may serve to point the moral for India, apart from the rapidity with which it was constructed; offering in this respect a painful contrast, when we consider the snail's pace and interest-consuming rate at which many of our Indian lines have been carried out. The Russian line in question runs from the south-eastward to a station on the Orel and Karkoff (Charkov) broad-gauge line, which is a portion of the through route since completed from Petersburg to Odessa. . . . It is thus more formidable as "a disjunction and interpolation" than any that has been proposed for India, and, as such, it was, for a while, stoutly opposed both on commercial and military grounds; but what was the upshot of the discussion after looking at the whole case? The result is stated in Mr. Fairlie's letter, but we understand the terms of the decision were much more emphatic than there appears. The Muscovite Minister of Public Works said: "I care not for change of gauge if we can have two miles of railway or one-and-a-half at the cost of one we now have, always provided that you can guarantee I shall be able to transport as many goods and persons [in the same time] as I can now do on the broad gauge." We do not quite know whether the new gauge finally adopted in Russia was 3 or 3½ feet; but in either case, that condition laid down by the Minister could be met, and—as shown by "C.E." and others—with a considerable economy in working expenses. This line was "decreed"

last June: our word is "sanctioned," which marks often the last but protracted stage of delay; but the Livny line was to be opened on the 13th of last month, fully equipped for public traffic. This is how will becomes deed at the hand of the "barbaric power" that studies "how to do it." Such an example may fairly be considered applicable to this country, when in the following sentence from the *Petersburg Journal* "Indian" is read instead of "Russian": "On account of the great extent of Russian territory and the absence of capital, the question of railway cost [and speedy extension] becomes predominating and all-important. To find a possibility of constructing them cheaper, signifies to provide means to construct them to a vastly larger extent." Now, we have had "precept" enough, in all conscience; is it not high time we had some substantial "practice" in railway matters?

Yet one is ready to despair in noticing such incidents as the appointment and journey to Sinde of a high and talented Committee, to examine and report on the question, whether the Indus Valley line should be carried up the left or right bank! We beg pardon: the central bureau, with its upside-down geography of India, may yet dream of constructing the railway *down* from Mooltan or even from Sukkur. But as to this ancient question of right or left bank, it must be fully four years since Major Bonus, R.E., and two or three other men, who knew at first-hand the facts with which they had to deal, reported that on the right bank it was possible the railway would pay, where there is some cultivated country, labour, materials, and fair prospect of local traffic; but that, on financial grounds, the left bank was out of the question. . . . . .—*March* 23, 1871.

II.—The battle of the gauges in India is now narrowed to one point—that is, the difficulties and possible danger arising from necessity of transhipment under the pressure of some urgent military exigence. . . . It seems to be assumed that if there be throughout India only one uniform class of railway, engines, and carriages—for, be it noted, uniform gauge alone is not sufficient—then all other difficulties would be of no account. It is said, in effect,—"Let there be no break of gauge, then, troops of all arms, equipments and supplies of every description, ordnance and ammunition of all kinds, will always be ready, can be despatched in a moment from our arsenals and chief camps to the vulnerable point, and the transfer can always be effected within just the number of hours required for the transit of special trains." Those who insist on the imperative necessity of uniform gauge do not say this in so many words; but that is the impression their absolute form of argument is intended to convey. The Government of India is given to understand that if it declines to comply with this imperious demand for ten thousand additional miles of "standard" railway, it will do so at peril of the Empire. . . . . .

There was no break-of-gauge excuse between Meerut and Delhi in May, 1857; but a tremendous revolt, that eventually shook the Empire, gained head solely because of half a day's delay in pursuing a troop of cowardly miscreants who, once within the walls of the Mogul's city, became formidable military and political antagonists. If it be said, this remark is travelling out of the strict line of argument, we reply it is needful in order to restore the sense of proportion, which is lost sight of by those who, for sake of an imaginary military emergency that may arise once in a century, would tax every ton of traffic, and inflict a permanent and all but unendurable burden on the country. If in any military emergency that Fate has in store for us, or that the possible folly of our rulers (as from 1852 to 1857) can invite, our Empire in India, or any considerable province of it, can be lost in the time that might be required to tranship a regiment of cavalry or a park of artillery, then the sooner we begin to make arrangements to retire the better, or also make the avowal (wholly contrary to fact as it is) that we only stay in India for an indefinite but perceptibly limited period, or as long as we can, and whilst we make anything out of the country.

In one sentence occurring between those we have quoted, our contemporary puts the practical issue which has to be debated—"if there were no break of gauge, men and material would reach the point of concentration in *less* time." Just so; and the question is —how much less, how often is the obstacle likely to arise; and is it worth while, for the sake of the uncertain, exceptional, and limited advantage, to incur a certain and ever present evil? It is, we repeat, a question of proportion, and is scarcely touched by the very general proposition, "that in war, time is of inestimable value"—a remark which itself requires the

very large qualification supplied by the word "occasionally." . . . Would the detention at the "point of disjunction" enhance these difficulties by one-tenth? He would consider this carelessly, we say, who should put down the artificial impediment at one-twentieth. Then there is to set against that the substantial credit we claim, namely, that for the price of this occasional delay the country gets several hundred more lines of rail, and in half the time, compared with what would be the case were we to defer to those who insist on uniformity, and who would make ten thousand miles of communication subject to the conditions that obtain on the present five. Although it is alleged that "the gallant engineers have missed the point at issue," it is germane to the point we are now considering, when they remark that goods (say, military stores) would scarcely "under any circumstances be exposed to transfer more than once," and that not more "than a small fraction of the total weight (of men and artillery) carried would be exposed to transfer at all." It is not for us to volunteer a defence of the Secretary of State's Committee from the criticism just mentioned; but, we presume, they considered the military emergency and break-of-gauge objections are fairly turned in flank, when they commit themselves, financially, to "the extreme hypothesis" that it might be necessary to lay down a third rail on the existing 5,000 miles of railway. . . . . .

The real cause of hesitation in the minds of the public arises from the assumption that, given uniformity of gauge, then all obstacles to the transport of an army and its *impedimenta* would be removed. The ruler who has beguiled France to its ruin is pre-eminent as a theorist, and accordingly he held to that assumption with characteristically blind tenacity. In his melancholy review of the causes proximate to the catastrophes of Rezonville and Sedan, he assigns a prominent place to the utter break-down in practice of the theory that the railway system of uniform gauge is equal to any military emergency. Those passages in the imperial *apologia*, as also certain others in the earlier letters of M. Edmond About, written before the reverses, are well worth the notice of those who, in this very practical question, would not be led away by too wide generalisations. . . . The metaphor of an "artificial defile" between Lahore and Peshawur, invented to discredit the adoption of the new gauge in that direction, is well adapted to strike the popular apprehension, but it fails as an argument. The defile is there now in the unbridged road, and in the project for an extravagant broad-gauge railway, which cannot be accepted by any authorities cherishing due regard for the financial interests of India. "Facilities for the concentration and supply of troops" to the frontier can at once be "augmented" by setting about the construction of a line financially practicable, and which, as exact calculations in these reports demonstrate, would be sufficient for any conceivable emergency.—*Jan.* 3, 1871.

III.—The frequent changes in the higher administrative ranks of Indian rulers have often been remarked upon as the cause of wasteful changes in policy, which, somehow, in the majority of cases tend steadily to the increase of expenditure and increase of India's financial burdens. Never could the unhappy tendency of frequent personal changes receive a more striking illustration than if, as surmised by some, the present Viceroy should be induced to reverse the decisions of the two last Governors-General in respect of thorough railway reform. We may be told, it is only the Lahore to Peshawur line that is now at stake; but that is really the key of the position. If the Government of India should now weakly give way to the clamour raised at home—prompted partly by the nothing-like-leather cry of the engineers, and partly by silly fears about the remote possibility of invasion on our North-west Frontier—the Indus Valley line will follow next, and thus, piece by piece, will be surrendered all of the Lawrence-Mayo policy which promised to secure for India efficient and general communication, while checking, once for all, the rapidly advancing figures of ruinous loss from the present railway system. Lord Northbrook has done inestimable service to India by curbing the disposition to enlarge the ever-widening area of taxation, imperial and local; but all that good would be utterly obliterated were he to become instrumental in saddling India with a system of communication thrice too expensive for the country. . . . . .

For those who are inclined to bestow a little study on the subject, and who sincerely desire to come to a conclusion on the merits of the case, we offer an explanatory and semi-technical paper by "C. E." (a former professional contributor of ours, who this time appears under his own signature), in which is brought out the terrible waste of the present system compared with the enormous constant economy that would accrue in the working

of lighter railways more nearly adapted to the circumstances of this country. These less costly lines—as is palpable to any one who may have seen the Indore Railway stock made in Bombay—would be equal, so far as railways go, to cope with any military or other exigency. . . . . .

Then as to the invasion bugbear: this is how we find that topic touched upon by our Allahabad contemporary, and we hope our readers will make the best they can of the sentence: "But however the financial aspects of the question may stand at the present moment, its political and strategic aspects have been modified *pari passu*, but inversely with those bearing on economy." We take this to mean that the prospect of the British Empire being overthrown in some odd hour that might be occupied in the transhipment of a few guns and stores at Lahore, has become more probable and portentous as the dread vision is pondered upon. There is some talk in another sentence about "practical men" backing up these gloomy "aspects;" but we find that persons who take a practical view of the course of affairs in actual warfare are not much influenced by apocalyptic arguments of that sort. Sundry military lecturers of the period have dilated on the facilities which the virtually unopposed and, after Saarbruck, ever victorious Prussians derived from the uniformity of gauge in the two territories. Granted; but let any impartial man set himself to perceive the totally different circumstances presented by the Punjab and Lorraine. Place an outline map of Eastern France and Western Germany on the north-western division of British India, and make Metz stand for Lahore. But where in Germany or where in Alsace is the terrible pass of the Khyber? . . . . . .

Would not Lahore be near enough to the frontier as a base "for concentrating troops and means"? That is, of course, in addition to the gradual and well-considered strengthening of all our present posts west of that city. Including the garrisons of Lahore and Mooltan, we have always 20,000 cavalry and infantry, with 15 batteries of artillery, stationed on or within easy marches of the frontier. And reinforcements could be carried forward by the metre-gauge far more speedily than our Quartermaster-General's, Ordnance, and Commissariat Departments could concentrate the "troops and men" at Lahore on the boasted standard gauge. Meantime the Sinde Frontier could be provided for, within a week, by sea from Bombay.

Some of our amateur strategists who so frantically demanded a uniform gauge every yard of the way to the foot of the Khyber or Bolan, seem to forget they are making this display of apprehension and weakness in the presence of "practical men" still amongst us, who won the Punjab and Sinde, and re-conquered all Hindustan and Central India, under facilities of locomotion represented by slow pacing elephants, by lumbering camels and baggage animals, by the bullock-cart of the period, and by artillery and cavalry that marched to the scene of action over hundreds of miles of country roads. Shall we, impelled by a mere sentimental craving for theoretic military perfection, inflict on the dumb, impoverished millions of India an intolerable financial burden which there is no human prospect of their ever being able to shake off? We sadly mistake Lord Northbrook if he can be induced to favour so short-sighted and oppressive a policy.—*April* 17, 1873.

IV.—That men of Indian experience, and who have any comprehension of relative distances, should allow inferences about break of gauge drawn from traffic exigencies within the compass of small busy England, to be put forward as applicable to this country, passes comprehension, except that it is one more illustration of the blinding influence of foregone conclusions. Our Calcutta contemporary puts the case sensibly, but all too coolly, thus: "The question is whether the total inconveniences of the break are not compensated by the total financial saving. It is not a question of which is the best plan, but of whether India can afford to pay for the best plan." To those who, by impartial examination, can estimate how small is the sum of "total inconvenience" that will be caused by transhipment at the few points of junction between the standard and metre lines, there will be no question at all on this head. The financial saving is so enormous that no data of comparison can be set up. Of course the real difficulty is one of imagination. Boasting ourselves the most practical people on the face of the earth, we are moved more by fancies and apprehension than any other. It is to the bugbear invasion that India is again to be sacrificed. The *Englishman*, after alluding to Lord Napier saying that if the choice lay between no railway and a metre gauge, he should be

glad to have the latter, proceeds: "But we understand that since then a calculation has been made which shows that for a specified distance, say of not more than a hundred and sixty miles, a body of ten thousand troops, with its munitions of war, could be more rapidly marched on foot than sent by railway, if a break of gauge occurred on the line."

Now, if the Supreme Government is deliberating upon, or at all likely to be influenced by, preposterous comparisons of this kind, the public has every right to demand that such papers should be published, and their authors made known. If the above proposition is stated fairly, and we have no reason to suppose that our Calcutta contemporary would do otherwise by it, we feel free to say that the "authority" who has conceived this "calculation" knows little about the marching of troops in India, and knows nothing at all about railway traffic working. Yet upon precious evidence of this sort the Government of India may be deliberating for a decision in the ultimate consequences of which thirty millions are at stake.—*June* 6, 1873.

THE RAJPOOTANA RAILWAY: PROFITABLE, OR WORKED AT A LOSS?

MUCH satisfaction would be felt at sight, in our yesterday's issue, of the papers on the Rajpootana Railway, which seem to promise that progress northward may soon be reported. But there is yet time to consider whether this progress shall be real and not sham, whether we are to pay twenty-five or only twenty shillings for our sovereign. . . . The cost of the 24 miles of the Raipur line is Rs. 9,66,959, including contingencies at 10 *per cent.*, instead of 5 per cent. in the other estimate, or Rs. 40,289 per mile, being as near as possible *one-half that of the broad-gauge line.* . . . We have it on the Consulting Engineer's authority that even on the exceptionally favourable country traversed by the Pahlunpore extension, the metre line would cost from one-fifth to one-fourth less than if made in the present gigantic style. Here, then, is a margin of extra profit which can be applied either to the fair payment of interest or to the diminution of traffic rates.

But this is only the smallest portion of the advantage that would accrue to the merchant and the country from the adoption of the more compendious system of locomotion, and one which is more in accordance with the wants and capabilities of India. If there is any province that demands that its railway rates shall be kept down to the lowest limit, it is Rajpootana. In the facility which the lighter railway gives for keeping down the otherwise ruinous working expenses, lies the strongest argument for the adoption of that system north of Ahmedabad. It is only needful to look at one of our present railway trains to see that there is great waste of power, and enormous proportion of deadweight to the work done. When these factors are duly set in array under the heads of "maintenance and renewals" of permanent way, cost of fuel and "locomotive expenses," and repairs of rolling stock, the grave financial aspect of the present inevitably wasteful working of our lines becomes strikingly apparent. The saving under these heads was calculated, in comparison with the standard lines, for the 3 feet 6 inch gauge as Rs. 2,140 per mile per annum; which sum, if capitalised, is considerably more than the saving in first cost, when, as on almost any other route, that saving is twice what would be gained by the metre-gauge in Northern Guzerat. And it must be remembered that if the first cost of the two classes of line were the same—which is no more likely than that a 500 and 1,000 ton steamer should cost alike—this constant and perpetual saving in working expenses would all go the credit of the smaller and handier system. Are there none of our merchants who can see that a metre-gauge line would carry their goods scores, if not hundreds, of miles further than the merchandise could, for the same money, travel on the more costly and expensively worked standard railways? . . . . . .

It is in this matter as in so many others of primary financial and economical importance, that the nearest object, that which "is seen," fills the field of vision, while the far greater portion of the whole is "not seen." At present the temporary and occasional inconvenience of translading is regarded with absurdly exaggerated concern; and it will require another swingeing income-tax to open the eyes of our public men and journalists to the incubus of debt, the tax on trade, and the grievous diversion of funds from productive purposes, which are being entailed on this country by the extension of the present extravagant railway system. . . . . .

II.—The question is whether, seeing that Rajpootana is to have a railway, it should be a possibly remunerative, or a certainly-losing line? When a writer sits down to demolish a proposal he dislikes, but in doing so takes little or no notice of what his opponent has said, the result of his lucubrations can scarcely be of much assistance towards informing the public mind on the subject. This appears to be very much the position of the writer of Thursday's plea for forcing the losing railway system up to Pahlunpore. Though assuring us that he had been reading our article (politely termed "wading through"), it is made very plain that our columns had been read with blinkers on. There are two special signs of this—first, we are said to be "capable of taking in nothing more than the first cost of the line." What, then, is the bearing of the passage in our article, where, after speaking of the minimum saving in first cost of one-fifth or one-fourth as affording a margin of extra profit, applicable either for making up interest or diminishing traffic rates, we commenced the next paragraph with these words—"But this is only the smallest portion of the advantage that would accrue to the merchant and the country from the adoption of the more compendious system of locomotion. . . . As none of the considerations we advanced against the proposal to inflict on Gujerat and Marwar a railway that cannot pay, have been met, we may leave the matter until we hear the fate of the Bombay Government's retrograde resolution."

Here we would take the opportunity of trying a long shot at that ostensible friend, but dire enemy of Indian railway reform, the Stores Branch of the India Office. The State Railway Department in this country is bad enough, with its red tape, its checks, its changes, and its perpetual shifting of employés; but, on the principle of "by their fruits ye shall know them," the Indian Office Stores Department, in its relation to railway extension in India, has proved one of the most muddling, inept, wearisome, and therefore wasteful institutions of these latter days. All the world is before the Secretary of State and Council from which to choose the simplest, best, and most economical permanent way and rolling stock materials; but the failure to hit this mark appears, at present, to be complete.—*Jan.* 21, 1874.

MR. R. H. ELLIOT ON BRIDGE BUILDING, AND REVENUE IN KIND.

MR. R. H. ELLIOT'S evidence before the Indian Finance Committee, a considerable portion of which appeared in our paper of last Thursday, is of considerable practical interest. The public at home, and many persons here, look with suspicion on witnesses from the Services. Those disposed to a pessimist view of Indian affairs, and who are ready to think its administrators generally in the wrong, have little faith in the evidence tendered by Covenanted Servants. They regard them as "paid men." Little account is taken of the consideration that experienced civilians, politicals, and staff officers have identified themselves with the country and people amongst whom their lines have been cast. They are supposed to have a vested interest in things as they are, and that this gives a bias to all their statements and proposals. To Mr. Elliot, the planter of Mysore, no such objection can be taken. If biassed at all, it must be the other way. In reviewing his very readable book, we had occasion to point this out. His severe criticisms on Indian administration were scarcely consistent with the high opinion he expressed regarding some of the administrators. His experience is of very long date, and his acquaintance with the people very intimate; but it must be remembered he has spent all his Indian life in one province, of which the physical geography is somewhat peculiar, and the people different in many respects both from the Hindu and Mussulman population elsewhere. Still, the leading economical and social conditions are similar to those in the rest of India, and Mr. Elliot's evidence being that of a shrewd practical observer, who has bought much of his knowledge at the cost of direct personal experience and much persevering exertion, it is well worth while for us to take note of some of his conclusions and suggestions. . . . . .

It was scarcely likely that the planter of Mysore could throw much new light on the vexed question of the Public Works Department organisation, and its methods of construction; though it was to be expected he would express, in forcible terms, the popular distrust and dislike of the department, and offer some sweeping suggestions for its reform. . . . When we remember the long-settled design of the Public Works Secretary in this Presidency to abolish or absorb the Local Funds Engineers and all their

contemptibly small, cheap, and useful works, it is rather amusing to see an influential witness before the Select Committee recommending that the great Public Works Department itself, its captains and colonels, shall be brought down from its loftiness, and made even like unto the despised institution of Local Funds Engineers. There is no danger of any such revolutionary measure being carried; but in any revision of Public Works Department organisation, very much weight will have to be given to the conclusion come to by many besides Mr. Elliot, namely, that the Collector of the district understands its interests and wants with regard to public works much better than the builders thereof can be expected to do.

The planter is very decidedly of opinion that native engineers have built more durable bridges than those which rise and fall so frequently under the present department. We need not attempt to go into particulars on this practical question of pontine architecture; but when it is mentioned that the native engineers in Mysore contrive to place their piers in such a fashion as to present little resistance to the force of the stream, while the Public Works Department engineers aim at challenging as much of flood force as possible—a course which two years since proved eminently suitable to invite disaster in the case of the Sherwell bridge over the Neera, now being replaced on a different principle —we begin to wish that some Mysoreans would come further north. Unfortunately, it seems doubtful whether the southern race of bridge builders may not have died out; for one of their first-class works, which Mr. Elliot points to as an illustration, is a bridge over a wide river, which has stood the shocks of the stream and time for 150 years. One other remark on this evidence in reference to bridge building should be mentioned for general guidance. Mr. Elliot complains that the department build bridges where they are not wanted. He mentions instances where these structures act as impediments to traffic; for whereas the river bed serves very well for country carts during all the dry months of the year, during the wet season there are no carts on the move at all. The impediment is, of course, not in the bridge itself, but in the toll or extra local rate which the costly structure necessitates. Are there not several superfluous works of this kind in the Berars?

The portion of the Mysore Planter's evidence that will be regarded as most original and striking, whatever may be thought as to the soundness of the view expressed, are those passages in which he contends that the old system of collecting the revenue in kind ought to be reverted to in connection with systematic arrangements for the storing of grain as a safeguard against famines. Mr. Elliot's explanation of the custom of hoarding grain instead of rupees is somewhat similar to one given in our columns three or four years since, by a contributor who thoroughly knew the Deccan and all its ways of life. . . The members of the Committee put several queries to Mr. Elliot, that served tolerably well to indicate the leading objections to the primitive and artificial system of "forestalling and regrating" which he would re-introduce to India. But none of these gentlemen (unless it be Mr. Fawcett) seem to have perceived the portentous significance of the Mysore Planter's convictions on this point, or of those stern facts of Indian finance which, though imperfectly recognised by him, have driven him to that position. Here is a shrewd business man, knowing that the ryot, like himself, is moved to select his crops according to the market price they will fetch as measured in the currency of his province, yet who deplores that the half-civilised cultivators do not grow the less remunerative crops.

The remedy proposed is no doubt a very effectual one. Instead of the State landlord taking his rents in silver currency, which is the measure of all products, the rent is to be paid in kind, but only in one of those products. No doubt the first effect of this would be to increase the proportion of grain crops, and so far the plan would answer in increasing the total food supply in the country; but we cannot readily see the next step beyond this. The supply of exportable product would, *pari passu*, be lessened; but whilst the price of cotton, jute, and seeds would not necessarily be enhanced, the money yielded to the cultivator would on the whole be considerably less; and thus, though both the private and public granaries of his district might be full, he would find himself deficient of every resource but bare grain. It is, however, of little use to consider the probable economical consequences that would follow were the Government of British India to resolve to accept any considerable portion of its land revenue in kind. The proposal, so far as we can see, is an utterly impracticable one.

But what are the causes which have led to that disturbance of the safe balance between food and export crops which many close observers of Indian affairs regard with much apprehension? Mr. Fawcett, as reported, makes rather an odd guess at these causes. He puts it: "At present, owing to many national peculiarities among the people, there is a tendency to export food and not to import food in return . . . because the imports do not consist of food, you diminish the resources left to the people to live upon." There are no "national peculiarities" in the case, that we are aware of, except such as the Hindu shares in common with every son of Adam—a desire to get the best price for his produce, and a design to turn his small farm to as good account as is possible with his limited resources. There is a demand for cotton and other non-edible products in Europe; the State must have its dues in silver, which can only (in the end) be obtained by the export of non-edibles; while, over and above these inducements, there is a steady propulsion to swell the exports, because only through them can the Indian Government meet the demands made on it by the Secretary of State. This last influence is the one which is most difficult to trace; but our fiddling Nero at present in charge of the Finances seems determined to make plain to the narrowest capacity the operation of this injurious pecuniary force. Thirteen millions sterling of revenue have to be transferred from India to England during the present financial year; and though the supply of available exports is manifestly insufficient to provide the current remittance without severe depreciation in values, Sir Richard Temple—having neither practical knowledge nor inventiveness—is determined that the depletion shall go on, even though the very silver itself shall be hauled out of the country. The effect of this will be to depreciate prices even more rapidly than at the ratio of decline which fairly set in about three years since; but, as exports must go forward, the depreciation will tell most on grain. Then, it may be said, "so much the better," food will be cheaper. Yes, is the reply; but the breadth cultivated will therefore be less, and thus the masses may be anew exposed to that dire peril against which Mr. Elliot would guard by the extraordinary expedient of reverting to the customs of the Dewan Joseph or of the Emperor Akbar. Neither that gentleman nor his questioners had distinctly recognised that "skeleton in the closet" of which India has to take account; but Mr. Elliot indicates its existence in the terse remark, "if it were not for the opium revenue the country could not go on."

One more point in the Mysore Planter's evidence we must briefly refer to, namely, his subtle remarks about the difficulty of obtaining frank and genuine statement of native opinion. There is, indeed, every difficulty if the attempt be made through the ordinary methods of public interrogation; but invaluable information as to what the Lion thinks of the Man may be obtained by going the right way about it. The following is the method suggested by Mr. Elliot; it is one applicable to all parts of India, and to political, still more than to financial topics: "It is simply by sending a man who has a considerable acquaintance with the Chiefs and Ministers of the Native States, and he will be able to obtain their opinion exactly as to the resources and constitution of the country. But these men will not give you their opinions unless you send to them a man in whom they have confidence, who has some acquaintances among them, and who would tell you the general opinions of these people without their names being published to the country."—*May* 9, 1872.

INDIAN RAILWAY REFORM: AN IRATE R.E. AND LAVISH C.E.'s.

OUR citizen, "J. M. M.," who contributes his weekly London letter to a local contemporary, appears to have thrown himself into the light or heavy railway controversy with considerable warmth. And just now that the maintenance of the existing system can be represented as necessary to the protection of our frontier, and likely to be serviceable some day in "laying the proud invader low," we are not surprised to find that his well-known British patriotism combines readily with that taste for large schemes and lavish expenditure which finds a congenial atmosphere on high days in the Civil Engineers' Institute, when its members have thrown before them some big national project of construction. . . . . .

Engineers, as a class, Civil as well as Royal, have a professional leaning towards lavish expenditure; and that class feeling must have been very strong to allow such a platform trick to pass as when Mr. Douglas Fox pointed to the map of India and its

present five thousand miles of line as sufficient to outbalance the considerations connected with the ten thousand yet to be made. Was there no one to point out that from the true engineer's point of view the present system is a failure? As Sir Arthur Cotton has shown, it fails to carry the produce of the country, and, comparatively speaking, has done little or nothing to evoke greater production; while from the financier's point of view it is doubtful whether its admitted military and political value is not counterbalanced by the drain that its maintenance causes on the revenues of the country. From the last aggregate statement published of traffic receipts, it appears that since this year came in the falling off, as compared with the last—and it was less than 1871—must be equal to 12 lakhs of rupees. . . . . .

We have been chidden for steadfastly opposing the desperate effort which has been made to force the "standard gauge" on the north-west and western frontier lines. We maintained this stand, however, not only on the merits of that particular case, but from a conviction that if the reformed system were driven back from the frontier, it would be resisted *elsewhere*, and thus the *last chance* of escaping from the railway incubus would be lost. . . . . .

It seems an odd misuse of language to speak of "fortifying Native States against us," when, at their own invitation and pecuniary risk, we are piercing their territories with means of communication that give us fifty times more control than ever we had before. The military aspect of the new system was treated effectually, so far as the frontier question is concerned, by Mr. Thornton in his paper, read before the Institute. The general question of the capabilities for military purposes of the light railway system was well treated of in Part III. of the pamphlet, "Ten Thousand Miles against Five Thousand," a brochure in which are embodied careful and irrefutable calculations that are alone sufficient to vindicate the thorough reform of our Indian railway system on the basis of the metre gauge. But the Government of India has been too negligent or disdainful in regard to its own vindication. Had its officers, with all their appliances, taken half the pains to explain and justify its measures that were taken to that end in 1870 by our volunteer correspondent, "C. E.," there would now have been no occasion to allow General Strachey to go down to the Institute, and by his imperious manner give opponents a temporary advantage.—*March* 15, 1873.

BREAK OF GAUGE AND TRANSLADING.

MR. W. T. THORNTON, the [late] talented Secretary in the India Office, must be more hypercritical—and in that, too, as against himself—than was the police constable whom Mr. Anstey rallied the other day on his very exact rendering of the vernacular. Mr. Thornton has been induced to make a correction in one passage of the very able speech which he delivered in reply to the "engineering giants" and others, who, in the recent discussion before the Institute of Civil Engineers, raised such a din against the adoption of the light railway system for India. Their chief *cheval de bataille* was break of gauge; and it was in combating the prejudices and random assertions on this subject that the remark occurs which Mr. Thornton has taken such elaborate, and, as it seems to us, wholly unnecessary, pains to correct and modify. The method taken is that the Institute printers send out a new leaf marked "corrected page 157." The remark withdrawn and its correction have a significance quite apart from the dispute about the aggregate cost of translading (we have to thank Mr. Thornton for that word); hence we are glad the subject has been again brought forward. . . . . .

It appears to us that Mr. Thornton's over-statement is merely one of expression, not one of fact; while his correction does himself an injustice, and a little confuses the public apprehension as to the position of Indian railway progress. . . . . .

To those who believe in the practicability and value of railway communication, it will seem but a moderate estimate to assume that two miles are wanted for one that was already laid in 1869. But there was no more occasion for the Indian Government to "mark out" all possible or even probable extensions that may be required during the current thirty years, than there was for Mr. Thornton to bind himself to that phrase just now. The tentative estimate drawn up by the Government of India (which, in tabular form, may be referred to in our "Calendar" for 1870) proceeded, as will be seen, only on the basis of 'lines proposed by Local Governments in 1868," which amount to nearly

5,000 miles, though these include some really pertaining to the old system. Some of those projected then, as the Hooblee to Patus, and another spoken of since that period, a foolish scheme for a coast line from Madras to Calcutta, will be relegated to the far future, or abandoned; but others of equal or greater length, piercing from the sea to the interior, will be taken up instead. . . . . .

But even supposing Mr. Thornton had been compelled to restrict the future railways of India to the 3,000 "actually marked out," we cannot see how this would interfere with the argument he is maintaining on page 157. It was on this wise. After showing from Indian evidence which is incontestable, that fourpence per ton is the utmost cost that would be involved in translading, he proceeds on an estimate of the total amount of traffic on the future lines—an estimate extravagantly overweighted against himself—to show that the extreme aggregate extra cost incurred by break of gauge is utterly trivial compared with the economy in first construction of the new lines, as admitted by the most adverse opponents of the light system. But, as Mr. Thornton calculates the probable traffic passing the junctions in proportion to the extent of the new lines, the quantity of the transladen goods and the aggregate cost of shifting them will also be in proportion; therefore his argument stands as it did. And, because of the irresistible force of this argument on pages 158-9, which to an unprejudiced mind demolishes the bugbear of the English engineers, we are glad the corrected page has been re-circulated. . . . . .

Though not pertaining to the present branch of the subject, we must again express regret that Mr. Thornton should have passed over the strongest argument on his own side—the economy in working expenses that must accrue from the adoption of the light system. But the Government of India during its present deliberations has all these calculations within its reach. If they are overlooked, or from any cause the present ruinous system is reverted to, the Government of Lord Northbrook will, ten years hence, have bestowed on it the dire anathemas of our successors, who will then most assuredly be subject to a swingeing income-tax to make up the railway deficit.—*July* 12, 1873.

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THE BLUNDER OF THE DAY: STOPPAGE OF PUBLIC WORKS.

WE have hoped against hope that the deplorably mistaken policy might be deferred or abandoned of checking the construction of productive public works—except the most expensive class, that is Railways—and of raising such loan funds as are still needed for public works in India instead of in England.

The publication in the official *Gazettes* this week of the Resolution prescribing the method and terms under which a large number of officers and employés on the Public Works Department are to be compulsorily retired, destroys the lingering hope that, at the eleventh hour, common sense might arrest this heavy blow to the industrial and financial interests of India. . . . Now, when it is a question of hastily stopping outlay, that is or might be made productive, hundreds of experienced men, well acquainted with the country, the people, and their work, find their careers cut short, but in most instances with a personal *solatium* on a very liberal scale. . . . Of course, we are right glad, seeing this foolish policy is to be carried out, that it will not be embittered by the infliction of personal wrongs; but, nevertheless, the people's money is, so far, being needlessly and unproductively squandered. And for what? In order to check, in the most summary manner possible, the only branch of public expenditure that directly promotes the material welfare of the people and the industrial progress of the country! And not only is this directly beneficial service to cease *pro tanto;* but, as our readers well understand, the indirect effect of this cessation of productive expenditure is still further to cripple the already weak industrial forces of India. This is done in two ways: first, by cessation of disbursement on material and labour; second, by the collateral influence on finance whereby "loss by exchange" is increased and prices are abnormally depressed. . . . . .

But the money thus wastefully, if generously, dispensed is only the lesser part of the wanton waste incurred in thus discharging hundreds of acclimatised and experienced men. Their skill, their capacity for coping with special difficulties, their knowledge of the country and of the people are all lost during the period wherein they would otherwise have served. But to this wholesale sacrifice of seasoned skill there are at least a few

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exceptions. . . . We are all aware that the Public Works system urgently needs reform. It is, and has been, far too expensive. But the measures now adopted must make the Public Works Department that remains, ten, twenty, or, perhaps, thirty per cent. more expensive than before. The *relative* cost of superintendence and establishments must be enormously increased. . . . The rising uneasiness at home about Indian finance—the misappropriation of the Famine Fund and "loss by exchange," &c.—to which at length form was given in the threatened motions of Mr. Fawcett and others intended to be brought forward on occasion of the Financial Statement, warned the party in power that something must be done to stave off not only popular but Parliamentary censure. Hence loud promises of retrenchment must be made; and as it was impossible to cut down military and other much patronised unproductive outlay, the ready but ruinous course of stopping public works, as far as possible, was hit upon. By ready aid of the "loyal and unhesitating obedience," now the fashion at Simla, this ukase against productive public works was formulated, and another party difficulty was overcome.

Unfortunately for India, there are strong popular prejudices, both here and at home, which serve to support any outcry against the Public Works Department, however ignorant or misdirected such clamour may be. Into the value of these prejudices we need not enter now, having done that at other times. We are always ready to support the other strongest criticisms on particular works or methods of the department that can be fairly supported; and we would go as far as any one who may have fairly qualified himself for the task, in promoting some thorough reform of the system likely to result in economy and efficiency. The question now is the broad one of policy—whether productive public works in India should be pushed forward as rapidly as the surplus revenues or credit of its Government can permit? In putting it thus, we assume that the labour supply available is to be fully taken into account, and that no work shall be undertaken without its design, purposes, and methods of construction having been subject not only to the closest professional scrutiny, but opened out to the fullest possible public discussion.

Granted, then, an honest and efficient system, the question of productive public works becomes one of funds only. And as the idle capital of Europe is hungry for employment, it is the veriest quackery of financial administration to put forward the absurd pretence that India is compelled to undergo the present disastrous check to provident public works exploitation. In presence of this blind and grudging measure, what are all the protestations worth about insurance against famine? Again, we say, let us know who is responsible for this clumsy and senseless course? Is it the India Office, or Simla, or both? Let us have names. It cannot be General Strachey this time. Is it Sir Lewis Mallet or Sir Thomas Seccombe? Is it Sir John Strachey or Sir Alexander Arbuthnot? If so, let us have their written justification for thus spending several lakhs in "getting rid" of engineers who could be and ought to be profitably employed. . . . So far, the British Indian and other native Associations have done more harm than good in this matter. They have run in the popular groove of clamouring against the extravagance and mistakes of the Public Works Department, instead of uniting in an earnest effort to secure beneficial reorganisation and thorough reform. The Chambers of Commerce, at least this of Bombay, have been on the side of productive outlay, though leaning a trifle too much to railways at any cost, and other forms of public works which take the European fancy. But the Bombay Chamber is, we believe, fully convinced of the disastrous mistake, in a financial point of view, that is being made by this extravagant retrenchment of which the Government Resolution published this week is almost the only manifesto yet given to the public. . . . Where are our young European merchants? Where are our patient and thoughtful native politicians? India needs them both to aid in the mastering of this urgent and far-reaching question.*—*Aug.* 9, 1879.

THE SELECT COMMITTEE OF 1879: ITS CONCLUSIONS DEMOLISHED.

SIR ARTHUR COTTON has issued a memorandum (republished in the *Home News*) in which he gives a crushing reply to the Report presented to Parliament by Lord George Hamilton's Committee on Public Works. It will be remembered that, as the

* This Extract is from the *Bombay Review*.

proceedings of that Committee were reported, the superficial and fallacious method in which its inquiry was conducted was exposed in our columns. By greater part of the Indian press the deductions and conclusions of the Committee were accepted as the outcome of practical wisdom. The *Pioneer*, however, in this instance did good service, at a later date, in an article on the Report which showed up the inconsistency and narrowness of the line taken by the Chairman and the India Office witnesses. General Cotton's reply on the whole question is, of course, a far more comprehensive treatise. Seldom has the contrast been more striking than that afforded by this masterly review compared with the purblind groping of the Committee and its pottering conclusions. Sir Arthur is, indeed, a Triton amongst such minnows as the past and present Under-Secretaries for India and the head book-keeper of the India Office, Sir Thomas Seccombe, who treated the finance of the Public Works question as one might the retail transactions of a chandler's shop. Sir Arthur Cotton justifies his undertaking the examination of the Report—"first, because it does not make the slightest mention of the main point of the whole question, but is wholly occupied with minor and comparatively insignificant ones. And secondly, because it entirely excludes one side of the question, even in respect of the minor points with which it assumes to deal." The "main point" thus ignored is "the effect of the public works on India"; and the "side of the question excluded" is the result attained by such irrigation works and canals as we have, partial and unfinished though most of them are. But it is impossible to summarise in a paragraph this comprehensive and telling essay. We would ask thoughtful men to read it for themselves; and here we will only quote the first and last of the eleven propositions with which he sums up: these are they—1. The direct return in money to Government by these works is not the main point, but their effects upon the country. 11. That, therefore, what both the finances and the general welfare of India require is the most liberal prosecution of public works, both of transit and irrigation; and, especially, that irrigation and navigation are the only works that can possibly secure it from famine.*—*Nov.* 29, 1879.

II.—Last week the *Pioneer* had a good, if somewhat laborious, article on the Report of the Parliamentary Committee on Public Works. As our readers are aware, we have tracked the history and deliverances of this Committee rather closely; but we had not been able to discover the "object and reason" for its existence which is alleged by our Allahabad contemporary—to wit, "the huge machinery of this Committee was notoriously constructed with the view of keeping certain members of Parliament quiet." We still consider—indeed, we have special reason to know—that our own diagnosis is much nearer the mark—namely, that the Committee was appointed, coached by Lord George Hamilton, its Chairman, and Mr. Under-Secretary Stanhope, its reports adjusted and carried, in order to back up and confirm certain intensely perverse and narrow views that are tenaciously cherished of late years by the departmental doctrinaires of the India Office. The *Pioneer* speaks again and again of the "Fawcett Committee," apparently because the trenchant Indian reformer's name is unpopular in this connection, but we do not remember that Professor Fawcett had anything to do with the appointment of the Committee; and, though he was a member, he did not take any very active part in the examination of the witnesses. Sir George Campbell and Mr. Childers were much more prominent in that work. If the latter, in dealing with Indian affairs, could have trusted more to his own strong sense, or if Sir George Campbell could have risen above his Bengali prejudices as to the supposed inevitable wastefulness of the Public Works Department, something might have been done to stem the India Office's reactionary policy instead of endorsing it. Having ourselves shown, from several points of view, how this "ponderous Committee" has gone "blundering about amid the facts of the subject" and come out of the wrong port-hole at last, we need not go over the same ground. It is some satisfaction to see the Allahabad paper taking a similar line—with a difference we will presently mention—so that, when these days of delirium shall be overpast, we may hope that rational views on public works finance will prevail. From the much detailed Allahabad article we cull the following: "There is no limit to the desirability of constructing works that will pay, and it is an advantage to India if European investors, either through Government or directly, find the capital for the purpose;" "if the country

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* This Extract is from the *Bombay Review*.

is unprosperous, that is an additional reason for public improvements adapted to cause prosperity;" "only on the assumption that exchange will be worse, can it be wise to curtail loans for public works; if silver is likely to rise, India will gain by getting as much from Europe as we can whilst it is cheap. India has a capacity of absorbing silver sufficient to take in all the German surplus." These points we have here put more tersely than in the article; but to our readers the opinions they embody are trite, as also are the following propositions of the *Pioneer's* summary, which, however, are worth quoting as indicating the existence of common sense in official quarters here, in spite of the dense dogmatism of the India Office in these matters:—

India wants the capital which Germany is prepared to let loose in the form of silver bullion; applied to industrial development here, the capital would fructify: absorbed here, that capital would no longer impend in a menacing manner over the British silver market: if the German silver were transferred to India, in fact, exchange would recover, and Indian finances would be relieved of the fearful drain at present occasioned by loss by exchange: true policy would thus dictate a great augmentation of borrowing by India at this crisis for industrial purposes.

It may be noted, in passing, that the term "capital" is here used somewhat inaccurately, but that is of little consequence. . . .*—*Sept.* 27, 1879.

TWO WITNESSES OF OUR OWN: R. WIGRAM CRAWFORD AND EARL MAYO.

It is a pleasant and easy pastime to paddle your own canoe when the course is down the river all the way; but it is a very different affair to have to row against the tide or to swim against the stream. These latter conditions represent that under which we have to work just now in respect of what we believe to be . . . *the* most pressing question of the day in India. That is the rapid and energetic carrying out of well considered, equally distributed reproductive public works—first, as an investment on capital account, for the sake of the conserving and beneficial nature of the works themselves; second, as provident disbursements in rescue of the destitute masses from the destructive poverty which now besets them, and to stimulate industry generally; third, as an expedient of urgent financial necessity, in order to set off the exhausting drain of revenue from India, to secure the advantages offered by the present low price and abundance of silver, and to check the abnormal "loss by exchange" under which the State, the import trade, and private remitters now hopelessly groan. In advocating this large, and, as we believe, eminently salutary policy, we find ranged on the other side all the strongest forces that control Indian affairs. There is the popular prejudice—popular even in the widest and most influential aspect of that term—against the Public Works Department of India. We are not careful to contend that there are not some grounds for that prejudice; but it is part of our argument that, by vigorous prosecution of the policy advocated, many defects and much of the inordinate expensiveness of public works administration would be obviated or reduced to a minimum. But that popular prejudice against the Public Works Department would avail nothing to prevent the adoption of a bolder and more productive policy, if only the executive authorities who autocratically control the destinies of India—Mr. Bright's eight men in the twelve-feet-square room at Simla, and three or four more in the palace built out of Indian revenues at Westminster—could be brought to see this great question outside the fog in which, since Lord Northbrook's time, they have been obscuring the whole subject. . . . . .

The gist of our argument is comprised in that letter by Mr. R. W. Crawford to the *Times* on the Railway Finance question which came out by the mail of last week. Though we consider that public works funds, whether borrowed or taken from revenue, may be spent with much better effect for the country at large on water than on iron, that is not the general opinion. Mr. Crawford, in common with most Anglo-Indians, thinks, "there is nothing like leather," that is, Railways; but his argument, being a purely financial one, will serve us very well as an illustration. . . . Mr. Crawford points out that "the substitution of the State Railway for the guarantee Railway system" is one cause of the recent high rates of exchange and low exchange value of the rupee. How and why? Because, whereas the capital for the guaranteed Railways was raised in England, thereby keeping down the Secretary of State's drafts, "India in later times has had to furnish, through the additional drawings of the Secretary of State, not only the interest on the capital borrowed for State Railways, but a very large portion of the capital also." . . . Mr. Crawford

*This Extract is from the *Bombay Review*.

boldly says: "Is it too late to revert with retrospective effect to the policy of former years? Why not replace in the Home Treasury by borrowing in this (London) market the capital expended in the construction and equipment of the State Railways?" This is only the plain common sense of the business. The puerile, perverse—idiotic is scarcely too strong a term for the—method now followed, is thus denounced in the concluding sentence of the member for London's letter: "To go on supplying the Home Secretary with the proceeds of bills drawn at 1s. 7d. per rupee, against money raised in India at an equivalent of 4¾ per cent. interest per annum, is simply ruinous to the finances and the mercantile interests of this country and India"—aye, and destructive to the people and the industry of India.

Let us now call another witness on behalf of our unpopular policy—one who may carry more weight than the London merchant in official estimation: we refer to Lord Mayo. Our plea in his name ought to "fetch," some influential support. The demi-official articles, both in India and the home press, in which the willing pens of "rising men" elucidated and advocated that popular Viceroy's energetic public works policy cannot be already forgotten. And that policy had substantial ground to go upon. Every one admits that because of his intimate knowledge of Ireland—much of it, on the practical side, gained through the eminent Sir Thomas Larcom, the great surveyor—and with his own correct appreciation of agricultural conditions, Lord Mayo was peculiarly fitted to estimate the value of productive public works in India, and to decide as the class of works most urgently required. In this latter respect he was perhaps somewhat overborne by the engineers, who—leaning to the easier and more taking branch of their profession—spent millions on railways and grudged lakhs to the fertilising and more reproductive waterworks and canals. Had that ill-fated trip to the Andamans not been taken, it is highly probable, judging from the agricultural bent of his mind to which we have alluded, that Lord Mayo would soon have reversed that proportion. There is little doubt he would have striven to fulfil some such grand programme as that sketched about two years ago by the great tribune of Birmingham, when he said that thirty millions worth of irrigation works ought to be carried out in India within the space of a very few years. As his biographer remarks regarding his irrigation policy, "Lord Mayo's sudden death left many of his plans unfulfilled." From that record of the lamented Viceroy's Indian career by Dr. W. Hunter, we may suitably cull a few excerpts that will serve to show how violent—and, as we consider, ignorant and short-sighted—is the reaction at present prevailing in high quarters against an enlightened and energetic public works policy. . . . . .

No one dare say that Lord Mayo was lavish or loose in his efforts towards this vast enterprise for the renovation of India and the rescue of its people from famine and poverty. Quite the reverse: reference to the record we have quoted from will show that there was no sterner reformer of public works administration than Lord Mayo. And this is what one might expect. It is those who are most firmly convinced of the paramount necessity of providing reproductive works for India who are also, when they have studied the subject, most determined to secure trustworthy estimates, honest work, and cheaper funds from Europe, by which alone this vast reform can be carried forward to productive results. . . . It was with matured conviction that Lord Mayo wrote—

> The alternative as regards India is this, *cheap railways, or none.* . . . Therefore, I say, let us have railways that will pay, or nearly pay; or no railway at all, if their effect will be to add £100,000 or £150,000 every year to the permanent burdens of the State.

That the public mind is in danger of losing sight of this essential principle of limitation—even while under the cold fit that induces this stinting of public works—is just now rendered plain in the very ably-written document which our local Chamber of Commerce has issued this week, after laying it before the Famine Commission. Although the arguments are trite that go to prove India's need for immensely increased facilities of communication, it was well for our mercantile friends to repeat them; and we trust their appeal will have its influence in support of the flank movement that we desire to promote in order to the reduction of Fort Stupidity described above. Yet it seems to us the Chamber has needlessly damaged its just influence in this respect by setting itself against the more economical system of railway construction, and allowing its Committee to write as if its members had break of gauge on the brain. Such passages as this—"experience, however, has already proved that the difference in the first cost of broad and narrow gauge railways is insignificant, and that the cost of work-

ing a railway on the narrow gauge, where there is a heavy traffic, is much greater than the cost of working one on the broad gauge; &c."—only serve to show that the Committee have never thoroughly investigated the subject. Assertions of such hardihood may go down with the general public, but, with the experienced men before whom this report will be placed, the only effect of these passages must be to remind them that Bombay merchants, like too many other folk, think lightly of spending "other people's money." It was well to urge the importance of opening out the remote regions beyond Nagpore; but it was only to clog and overweight their appeal to couple with it the demand that the railway should be made on the standard gauge. This is, so far as lies in their power, directly to raise that obstacle of high rates which they complain of in the case of the Grand Indian Peninsular Railway. By insisting on the luxury of a big and costly railway—more expensive, both in construction and working by from one-fourth to one-third than it need be—they *pro tanto* "prevent Western India from reaping all the benefits which might be expected" from an extension of railway communication beyond Nagpore. And there is another drawback that may arise from this extravagant way of putting the matter. The Government of India, which has to consider the interests of each province impartially, may bethink itself that it is somewhat against the course of nature to bring the heavy produce of the upper valley of the Mahanudi over an expensive railway down to this distant Western Coast, instead of arranging for it to be taken to its natural outlet to Kuttack on the Bay of Bengal.

This reminds us that the Chamber or its Committee, notwithstanding its earnest desire to multiply internal railway communications, appears to miss mention of the chief condition that confers imperial value on those inland communications. That is, they must reach the sea by the shortest or easiest route. Allusion is, indeed, made to the circumstance that Bombay is, at present, "the port nearest to the great producing districts of Upper India and to England." But this position will be altered, and 300 miles of railway carriage saved, when, the right principle of communication being applied—"get your burden on the water as soon as possible"—a port to admit European vessels shall be established at Dejhbara, near the mouth of the Nerbudda. Then, with regard to the South Mahratta country, for the Committee to ask for a railway to drag the cotton of southern Dharwar some five hundred miles over an expensive railway, when the same commodity might be taken direct to the sea over a line little more than one hundred miles in length, is a modern instance of the old saw about the foolish man "who cut off his nose to be revenged on his face." . . . . . .

Though just now the prospects of any liberal, enlightened public works policy, like that we have illustrated by reference to Lord Mayo's earnest efforts, appears far off, the subject is attractive, and we have far exceeded our proper limits. Whilst we are glad to see the Chamber delivering "another blow for life," we could wish it had been somewhat better planted. We have felt it desirable to bring in these criticisms by way of showing that, while we would move heaven and earth—were such feat possible and needed—in order to bring about a truly imperial outlay on productive public works in India, we have as strong and sincere a regard for true economy and restriction of means to ends as can be cherished by any of the pharasaical cheese-paring retrenchers of Simla and Westminster. These official economists—save the mark!—strain at the gnat of a few years' interest on productive reservoirs, canals, and light railways, and swallow the camel of huge military expenditure, touching not, even with the little finger of the License tax, their own princely emoluments.*—*May* 10, 1879.

ONE WORD MORE FOR WATER.

PERHAPS it is only in the deltas of the great Madras rivers that the case on behalf of irrigation is triumphant in the domain of arithmetic, and sufficiently strong to confound its foes, always excepting the scoffing and scurrilous Mr. Smollet. But the great and costly canals of the north in the upper Ganges Valley are gradually establishing their vindication. We propose here to take a few notes of the present financial position of the irrigation works in that great plain. In doing so we largely avail ourselves of a summary of the leading figures bearing on the subject as collected by our Agra contemporary:—

* This Extract is from the *Bombay Review*.

In these provinces there are six complete canal systems and three under construction. Of the former scheme, the Ganges canal is by far the largest. The idea of constructing this canal was entertained as early as 1836. . . . . The various branches of this canal, which begins its course at Hardwar, irrigate the entire tract of the Doab or country lying between the Ganges and the Jumna as far as Cawnpore on the former river, and Hamirpur on the latter. Up to April last year the total outlay on the canal was £3,080,000. To that must be added £2,670,000, the accumulated interest charge on outlay during construction. The nett earnings of the canal from the beginning have amounted to £1,650,000.

The nett income of the year 1878 was £224,000 against an annual interest charge of £130. Including the interest debt, the Government has spent four millions on this canal with its subsidiary works. In return for this the State receives £224,000 per annum. During the year 1877-78 the Ganges Canal had sufficed to place over a million of acres under irrigation, the value for the crops on which is reported at £4,110,000. . . . The next canal that deserves our notice is the Agra Canal. Only in the fourth year of its existence it earned a nett income of £248,000 on its capital of £800,000. It irrigated 163,000 acres during the year 1877-78, and the crops raised under it are estimated at £580,000. The canal gives protection to the tract of country on the right of the Jumna from Delhi to Agra. The Eastern Jumna canal performs the same service for the country on the left bank from near Saharanpur to Delhi.

If some of our mercantile friends would study these facts a little more steadily, the truth might dawn upon them that it is of infinitely greater importance to secure perennial crops for the service of man and beast than to multiply costly railways that can only pay their way in years of surplus harvests. In connection with Mr. Bythell's remark, we may remind him that it was not "hundreds of millions," but thirty millions that Mr. Bright urged ought to be expended on irrigation in India during the course of a few years; and the history of these canals in Hindustan alone might suffice to vindicate the liberal project of the Member for Birmingham.—*May* 17, 1879.

II.—Those who followed our notices of the Public Works Committee will remember what a dead set against Irrigation seemed to be made all through by the official managers of that conclave. As if in quiet, but overwhelming, refutation of the sciolism and dogged prejudices prevailing in the India Office on this great subject, the last leaf of the printed proceedings of the Committee contains the following item of evidence; it is by Colonel Fisher, a well-known officer of Madras Engineers, and relates the combined results of canal navigation and irrigation in the Godavery district:—

The number of passengers is not given, but 120 boats took out licenses, and these carry on an average fifty a day. I beg further to add, that during this most awful season of famine, the worst probably ever known in India, when the districts of this Presidency through which the railways run lost over 85 per cent of their revenues, two-thirds of the population, and the whole of their products—for not an acre of land can be made to yield any product by a railway when the rains fail—the Godavery district, by means of its canals, paid double the revenue it had yielded in the most prosperous years before the works were constructed, carried on a trade nearly forty-fold in value to what this was when these works were undertaken, and came out of the trial strengthened in all its resources, whilst India has been brought to bankruptcy in spite of all endeavours to bolster up the railway system. If the condition of industry in India had been at all considered and compared with that existing at home, this waste of money and time and life would never have been allowed; but now, I fear, it will be long before India recovers, if she ever does at all, for it is appalling to see the state of these districts.

From the recent returns we gather the following particulars of the Madras irrigation works:—The area of land irrigated in the Eastern, Central, and Western deltas was 593,095 in 1877-78 as against 541,192 acres in the previous year. The water-rate proceeds increased from Rs. 15,54,655 to Rs. 17,20,967. The income from the land irrigated was chiefly in the Western delta, being Rs. 8,60,919 against Rs. 7,61,211. The irrigation revenue returns for the entire Presidency, including Canara, give a total of Rs. 2,07,08,603 for "Fusly" year, 1287, against Rs. 1,55,80,362 in F., 1286. The land cultivated with dry and wet crops yielded Rs. 2,05,77,035, the remissions amounting to Rs. 15,62,903, leaving nett revenue of Rs. 1,90,14,132. The irrigation revenue in Tanjore alone amounted to Rs. 37,65,018 for 946,992 acres. The Godavery district gave an irrigation revenue of 27 lakhs, and Tinnevelly 14. . . . . .*—*Oct.* 11, 1879.

CRYING FOR THE MOON: THE KANDAHAR RAILWAY.

. . . Now that the Bolan is abandoned as the route to Kandahar, it becomes an interesting question in engineering and physical geography, what other way can a steam-worked broad gauge railway be taken? Our sanguine friends in both dailies say the "Sibi route's the thing." They seem to think nothing can be easier than to turn the

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* This Extract is from the *Bombay Review*.

flank of the mass—for it is no mere range of mountains—through which the Bolan is only a rift. Well, we shall be interested in hearing how the 4,500 feet in altitude is to be surmounted without going a very long way round. This seems to us to involve either "fetching a compass," or proceeding along two sides, instead of one, of the triangle indicated by Dadur-Sibi, Daki (or some station thereabout on the Smalan-Tul route), and, say, Haidarzai, a station well beyond Quetta. Instead of the seventy miles along the base of the triangle from Dadur to Quetta, this route through Sewestan would require railway work of at least 150 miles. This might be well worth while if the mountain mass of 4,500 were thereby avoided or outflanked. But we cannot see that this would be gained. Pishin itself is 5,000 feet above sea-level, only one hundred, or so, lower than Quetta. So that the whole gain to be obtained by the detour or long angle from Sibi would consist in rather better gradients, and, presumably, protection from torrents. Against these advantages are to be set the cost and time of making, say, seventy extra miles of line. Possibly this may be the better of the two alternatives; but, in either case, it is heart-breaking to contemplate national resources and energy thus sacrificed by wholesale to meet a temporary military exigency, and for an utterly unproductive purpose. This Sibi or Sewestan project is one of Major Sandemann's swans; but we opine that scheme is already shrinking to the proportions of a very ungainly goose. Sibi itself—written Seebee and Sewee in 1842, when occupied by one of our detachments—is the *fons et origo* of the dreadful proverb, since applied too freely in Sinde, "O God! when Thou hadst Sewee, why needst Thou have made hell?" We do not lay too much stress on this very warm objection to the base of the Sewestan "diversion," for no one need stay there long; but the waterless condition of the whole of that arid mountainous district would, in itself, we believe, be fatal to any railway work therein, if physical geography did not decisively show the recklessness and extravagance of the scheme. . .

If our comparatively slight investigation of these routes should make it appear that this popular dream of "pushing a railway through to Kandahar in a few months," is little more rational than crying for the moon, we cannot help that. Our review of this crude and inchoate project, necessarily cursory though it be, is much fuller than any other we have seen; and we feel persuaded that further inquiry will only reveal a multiplicity of physical difficulties which neither bellicose furore nor patriotic sentiment will avail to lessen. No doubt the railway could be made. Engineers who are equal to boring Alps, to scaling Andes, and piercing isthmuses that have bound continents together since the dawn of time, could, within two years' time, send the locomotive on a big railway into Kandahar. But there is one condition precedent—they must not be stinted for funds; they must only ask and have. No one has attempted to show whence and when the 72 lakhs, spoken of as voted for this work, are to come. As to that amount, if proposed as an estimate, it can only be taken as a bad joke, unless it be meant for the lesser half length that on the plain only from Sakkur to Dadur. The British Treasury is alone competent to sustain the condition precedent for the carrying out of this huge, but at best vulnerable and precarious military work. If that illimitable fountain is to be tapped, let us go ahead. The disbursements on earthwork and masonry will be as water in the desert to Upper Sinde, while the expenditure on iron rails and rolling stock will do something to revive trade at home. But to propose that this extravagant railway project should be carried out from the funds or credit of India, is one of the most heartless, not to say wicked, things in all the dreary story of this most causeless war of modern times.*—*Nov.* 8, 1879.

WET DOCKS FOR BOMBAY: FIRST DEFINITE PROPOSAL.

THE publication of a letter to Government from the Municipal Commissioner, setting forth a proposal for the construction on the Moodee Bay site of docks for European shipping, may prove to be an event of the greatest importance to Bombay. It comes at a time when joint-stock enterprise is in such a state of collapse that not only does any new project fall flat on the public mind, but many shareholders in good sound schemes are ready to sacrifice the capital they have already spent rather than persevere at a small further outlay towards the advantages that are within their reach. The Municipal Commissioner

* This Extract is from the *Bombay Review*.

now appears on the scene in the character of a *Deus ex machina.* Dispensing with the cumbrous organisation of a joint-stock company, he shows how Bombay may obtain the long-needed wet docks by the simple process of Government modifying or abandoning part of their expensive reclamation project—one which seems to drag on interminably—and adopting at even less cost a scheme "for the construction of first-class docks sufficient to accommodate double and treble the present trade of the port." Moreover, the site of this great public work is contiguous to the present habitat of our trade, and may be made to join on to the old ruts of commerce. The Commissioner would also connect the undertaking and its future management with the Municipality and the commercial community, through the medium of a fairly constituted Harbour and Dock Trust. This is really a grand scheme in its outline as we have sketched it, and if anything could revive the general public spirit of Bombay, this proposal ought to do so—if on examination it prove to be sound and feasible.

The tempting prospect of being provided with a commercial dock of forty-six acres in extent—nearly equal to the united areas of the import and export West India Docks at home—ought to excite enthusiasm amongst our merchants; more especially as, according to the present plan, they are not to have the arduous task of "financing" to obtain the capital. All they will have to do is to pay their dock dues instead of bunderboat hire, and to take their turn in sitting as members of the Harbour Trust. On Mr. Aitken's diminutive coloured plan, the Docks, that are to be, look magnificent. We have indicated what further information is yet needed on engineering points; and no doubt Mr. Aitken, or some other professional man whom Government may specially appoint, will soon furnish all further particulars that can be obtained before the work shall be actually commenced. We trust there will be no paltering delay in doing this, and that some suitable means will be taken for eliciting the opinion of the public as soon as ample materials are before them on which a judgment may be safely formed. As to the bearing of the proposal on the future position of the Municipality, much might be said; and we should rejoice to see a special meeting of the Justices called in order that the city might assert that rightful claim to its foreshores which has been so long ignored. It would be better still to have a public meeting in the Town Hall as soon as the project is so far matured and approved that a memorial on behalf of it can be agreed upon. But before that can be, Mr. Aitken must produce more measurements and soundings.—*Dec.* 18, 1866.

DOCKS OR PIERS FOR BOMBAY.

IN the various discussions as to the respective merits of docks and piers for Bombay Harbour, we have always sought to subordinate the rival claims of the two classes of structure to the one pressing consideration—that we must have ships "brought alongside" somehow. We do not advocate docks against piers, or piers against docks. The merchants of Bombay would be glad to get either, or both. There is no necessary financial rivalry between the two appliances. Engineers competent to express a well-grounded opinion on this subject—and amongst these, of course we include Mr. Ormiston—affirm that there would not be much difference between the cost of piers and docks for Bombay Harbour. That is, to "bring ships alongside" so as to accommodate the whole square-rigged shipping of Bombay would cost as much by one appliance as the other; and, for general guidance, the sum likely to be required for either purpose, as the harbour side stands now, may be roughly but safely estimated at thirty-five lakhs, or £350,000. But whilst this is a clear and simple way of stating the case, and will serve as a basis to start from for the advocates of either class of structure, it manifestly pre-supposes the exclusion of one in favour of the other.

This policy we have always regarded as essentially a mistaken one; and the Port Trust promoters, after putting forward one or two pier projects with a very apparent bias against that method of serving the shipping, have bound up their future with docks or basins. This is a misfortune for the port and its trade; for, as must be evident, the trade being various, so should the appliances to serve it be varied both in character and situation. If the Port Trust, or, rather, the coming Trustees, give their vote for docks, then the foreign commerce of Bombay will be shut up to that means of shipping and landing cargo; for every other pier, jetty, or basin is virtually forbidden by the imposition of bunder fees on the traffic that would pass over them. . . . Again, as to the fallacy

about a pier necessarily providing for the whole trade: Mr. Mathew's report, we observe, states that "the pier is not designed for a considerable traffic, but it may at moderate cost be extended on the same design to meet any requirements." The pier would be certainly light as compared with some other of the piers proposed; but this remark applies also to the cost; the estimate for Mr. Ormiston's pier, for instance, having, as stated by the *Gazette*, been thirty-five lakhs when iron was much cheaper than at present. . . . . .

Here it may be well to recall how the present discussion arose, so far as we are concerned. The reference to the proposed Colaba pier occurred in the final paragraph of an article in which we described the measures taken to repair the three bridges on the Baroda line, which fell before the great floods of September, 1872. The flood was successfully resisted by the Nerbudda Bridge, proving, we trust, that the structure is incomparably safer and stronger than in the period before the large additions we have alluded to. Our chief object in that article was to raise the old question whether similar measures might not suffice to avert any repetition of the terrible destruction of the tax-payers' money that has been witnessed so often on the Sutlej and the Beas. This topic is of more moment to India at large than the question, Shall Bombay have a pier?—*May* 16, 1863.

LIGHTING BOMBAY HARBOUR.

WHEN, some months ago, the Peninsular and Oriental Company's steam-ship *Jeddo* was wrecked near Kennery Island, nearly every one of the witnesses who gave evidence about the occurrence in the Marine Court of Inquiry expressed an opinion that had there been a lighthouse on that Island the disaster would not have occurred. That opinion has been re-echoed again and again by the most experienced seamen of the port, and the general feeling among them seems to be that a lighthouse should be erected on Kennery Island without delay. This opinion, it should be remembered, is not a mere transient ebullition caused by the wreck of a valuable vessel, but it is the result of deliberate conviction—of a conviction arrived at long ago after several years' experience of the navigation of the coast, and especially of the dangers attendant on entering the port of Bombay. This necessity was most emphatically expressed by Captain Barker, the Master Attendant, who said that ever since he commanded a vessel he had felt the want of a lighthouse at that spot. But not content with merely experiencing the necessity for a lighthouse being erected on Kennery Island, Captain Barker has written strongly in favour of the project for the last six years. Had the matter rested with him and the other members of the Harbour Board, the matter would have been settled long ago, and disasters to shipping would have been reduced to a minimum; but, unfortunately, the Board had no power to do so; the Government of Bombay was equally helpless; and as the Supreme Government has thought fit to exercise a "most masterly inactivity" on the subject, nothing has been done excepting in the way of a voluminous and useful correspondence. . . . . .

Only recently the Government took from the surplus funds of the Board as much money as would have paid for the erection of a lighthouse at Kennery twice over, and devoted it to reclamation purposes; and now, when a lighthouse is more imperatively required than ever, Government will neither lend its money nor give its consent to the Harbour Board erecting one at its own expense. Large numbers of wrecks have already taken place in consequence of the absence of proper lights at the entrance to the harbour, and we need only mention the fate of the *Jeddo*, the *Glensannox*, the *Sydenham*—to say nothing of the numerous other vessels which have sustained damage by grounding—to demonstrate the necessity for having the harbour better lighted. The Harbour Board has already done its part towards accomplishing this object, and until its recommendations are carried into effect, the responsibility of adding to the already long list of casualties to the shipping of Bombay will rest with the Supreme Government.—*May* 11, 1866.

II.—In its letter dated November 25, the Government of India "desired" the Government of Bombay to reconsider its opinion regarding the reduction of the Public Works grant of the year, and the lecturing authority further took occasion to remark, that other Governments had already done as they were bid. It was further announced in that peremptory epistle—an admirable model for administration by way of centralising dictation—that it was,

therefore, "manifestly impossible that the Presidency of Bombay should be exempted from the sacrifices which other Governments are about to make." The whole discussion, of which this remark forms a part, has beforetime been commented upon in these columns. We need only here refer to the tolerably effective rejoinder to the invidious comparison just quoted, contained in this Government's suggestion (para. 12), that the circumstances of other provinces might be very different from those in which the Bombay Government found itself placed, on receipt of the undiscriminating and destructive retrenchment orders comprised in that letter in the last week of November from the Supreme Government. It is not in regard to the principles according to which Public Works expenditure is dispensed and regulated under the antagonistic action of the Local and Supreme Governments that we care to say anything at present. There are two particular items of outlay in this Presidency that, amidst all the wordy war, have held their own, and to which we would once more call attention in the forlorn hope of arresting further waste of public funds. . . . These works are the Hydraulic Lift Dock at Hog Island, and the half-way Lighthouse on the Prongs, the foundations for which are being put in. At that time—as the public has little chance of knowing in what proportions its money is being spent until it may have been wasted—we were not aware of the great relative importance of these two items in the sums and works with which the Bombay Government had to deal in its struggles to comply with orders from superior authority. . . . . .

While the Lighthouse, though not unduly costly, will fail to answer the purpose for which it is intended, the Hydraulic Lift may just serve its special object—that of cradling the troopships whilst being cleaned or under repairs, but at a cost three times the sum for which the end might have been accomplished. But it is better to put the case the other way; for the quarter of a million sterling which the Lift is to cost, there might be constructed on the same site *three* good masonry graving docks with a depth on cill sufficient for the heaviest vessels. The Lift will accommodate one troopship at a time; and while it will scarcely suffice for more than taking those three vessels on in turn, there will require to be planted on Hog Island an establishment and workshops all but sufficient to keep work going in all the three masonry docks that might be erected for the accommodation of the merchant shipping. . . . But it is clear that after the 25 lakhs are spent on the Lift, there may require four or five more lakhs to set up factories and colonise workmen. We are quite aware that this project is one of those which the Government of India was compelled to "exclude from its proposals of reduction" as being under specific contract, the withdrawal from which would involve an adjustment by compensation. But it is probable that even now there would be a clear saving in stopping the work and giving the contractors all the profits they could make by the completion of the undertaking. And it is very certain that this first loss would be trifling, compared with what has been voluntarily incurred in this Presidency by the Supreme Government forcing on its peremptory and indiscriminate arrest of much-needed works.

There is in this topic a very suggestive moral which should be duly considered on budget day. In no item of the national balance-sheet has the advance of expenditure been so rapid as in that of Home charges. It appears that the payments for this Lift Dock are made out of the Bombay Treasury; but the whole scheme was got up at home without, we believe, even the semblance of consultation with those persons in Bombay who should be best able to form a good practical judgment on a question of this nature. Now who and what are the people at home who thus commit India to expensive schemes ill adapted to her circumstances? If an inquiry were promoted as to the origin of the Hydraulic Lift Dock, it is possible a good deal of light might be also thrown upon several heavy items of current expenditure which India has to defray in a distant country, but which neither the Local nor the Supreme Government has any chance to check or control.—*March* 21, 18[illegible]0.

THE NATURAL PORT OF GUJERAT.

NO bar at the mouth of the Nerbudda, and European vessels can be navigated nearly up to the ancient port of Barygaza, the modern Broach—such is the discovery to which we have to call attention. It may seem scarcely admissible to apply the term discovery to the announcement of a fact which, if really such, must always have been so, though the perception of it has been prevented by a settled assumption to the contrary. Public opinion

is omnipotent now-a-days in its own domain; but it says little for the perceptive faculties of the present generation, and is not a little absurd, that such "opinion" should deter every one concerned from testing the assumption that the Nerbudda is unnavigable for modern ocean-going ships. Those of us who, travelling on the Baroda Railway, may have crossed the Nerbudda and its muddy banks, when the tide was out, or visitors to the town who have become familiarised with the sight of the wide expanse of water, more like a shallow lake than a river, and revealing unmistakable sand-banks and shoals, may be forgiven for tamely acquiescing in the supposition that it was no more possible to re-open the silted estuary for the merchant navies of Europe than to restore the ancient fame, as in Arrian's time, of the pilgrims' mighty banian tree on the island in the same river a few miles above Broach. But what were the Public Works Department about before and since the time when Mackay, the Manchester Commissioner in 1844, brought to notice the disgracefully neglected condition of the Gujerat ports? And what have the Revenue officers to say, who slumbered on the "opinion" that their districts—the exports of which are, with certain special exceptions, of more value and bulk than from any equal area in India—are necessarily dependent on costly railway carriage or tedious coast navigation and transhipment at Bombay? Probably some who, years ago, ought to have made the discovery, may dispute its value now, and the statements we have now to record must be closely tested; although such as may alter the whole course of export trade in Gujerat, they are not inconsistent with Thornton's account of the Nerbudda. He says: "At Broach, about thirty miles from its (the Nerbudda's) mouth, it is a noble sheet of water two miles wide, even when the tide is out. Ships of burthen can proceed up the river to Broach; but skilful pilotage is necessary, as the navigation is very difficult, in consequence of a bar at the entrance of the river, and numerous sand-banks in its channel."

Some of the new information which must bring about a revision of this accepted description was in two letters which appeared in our Friday's paper, more particularly in one signed "X." Of the statements therein contained we have had confirmation, and can recapitulate them with considerable confidence. These new opinions of the Nerbudda's capabilities have been acquired in connection with making the tardily completed arrangements for the navigation of the unlucky Gogo ferry. All the buoys have recently been laid and beacons erected by Mr. W. Sowerby, the Local Funds Engineer for Surat and Broach. In his operations on the river he was accompanied, and no doubt aided, by Captain Murray, of the Peninsular and Oriental Service, who, being agreeably surprised by the depth in the channels marked out for the course to the gulf, proceeded to take several lists of soundings, all the way from Broach to the open sea. These tests convinced this practical navigator that the bar of the Nerbudda is little better than a myth, there being 15 feet at low water at the entrance, over which the tide is said to rise 30 feet, and the channel is fully one mile wide. Near Dejh, or Deijbara, on the northern shore of the river's mouth, is a large pool where scores of European vessels might lie safely at anchor. At four miles from the entrance there are four to six fathoms, say 30 feet, at low water; and at Umbheta, a little further up, there is a still greater depth. . . . The two limits of draught which we get in these statements, 15 feet at low water at the mouth of the river, and 15 feet at high water between Umbheta and Broach, leave a good deal still uncertain as to the navigable capacities of the river. These soundings are taken before all the monsoon flood has been drained away from the 800 miles of watercourse through which the Nerbudda flows from the far-off shrine of Amerakantak, beyond Jubbulpore. The water of the river has yet to subside during seven months of drought; and being within reach of the tide, the fall of the river alone need not cause any insuperable impediments to navigation. . . . It is impossible for us now to indicate the developments which might follow on the re-opening of the Nerbudda to European commerce. If a few Bombay merchants tremble at the possible rivalry of little and distant Carwar, they must be filled with dismay at thoughts of the day when the bulk of Gujerat cotton may be shipped from Broach instead of Bombay. If it should come to this, we have no fear but Bombay will even then have as much trade left as it could provide for; but these vaticinations need not disturb us yet. The restoration of Broach as a mart of foreign trade would compel that opening out by modern railway of the ancient route through Rajpootana to Delhi, which the Bengalised Supreme Government perversely denies, alike to the well-sustained remonstrances of our Chamber of Commerce, and the mortal wail from a famine-wasted region, wherein thousands have perished for lack of easy communication with the granaries of Gujerat. The prospect of obtaining another large port for foreign commerce in Western India will also help to

drive our hesitating financiers towards the common-sense policy of abolishing for ever all our export duties, and reducing the import tariff to the simplest form and the lowest rates compatible with the solvency of our exchequer.—*Dec.* 7, 1869.

HARBOUR SURVEYS.—EXPERIENCE NEEDED.

FROM the first we have protested against the Duke of Argyll's ill-considered plan of sending out, as surveyor and special reporter on the harbours of India, a young engineer entirely unacquainted with the country. No doubt Mr. Robertson has made the most of his opportunities, and as he is spending another season here, he will, before he completes his special service, have acquired a great many valuable hints and a certain amount of marketable reputation that may prove of use to him in his future career. But this gain to the Duke of Argyll's protégé has been mainly at the expense of India. We have not the slightest hesitation in saying that two years since, when the job was taken in hand, at least half-a-dozen men could have *begun* a report on the harbours, creeks, and roadsteads of India at the point where Mr. Robertson must leave off. . . . . .

We will be bound to say that at the time His Grace thought fit to exercise his home patronage in this matter, an advertisement in two or three Indian newspapers would have drawn out at least half-a-dozen men having practical knowledge of the subject, and some of them possessed of invaluable local experience as to winds, currents, silting, and shifting shoals. Much information on this point is shelved away in our various offices of Marine and in some of those of the Public Works Department; but without some traditional and slowly gained knowledge to guide him in search amongst old documents, an engineer sent out from home must spend greater part of his time in search and selection. We must take for granted that Mr. Robertson was not only presented with a copy of Mr. Clement Markham's book, but also with the papers read at the East India Association by Captain A. D. Taylor, copies of which and reports of discussions thereon, in which other Indian Navy men took part, appeared in our own columns about a year since. But even this is doubtful; for the whole arrangement with and on behalf of Mr. Robertson's surveys of the Indian harbours appears to have been the most hasty and ill-considered proceeding possible. We know it is said that the Government of India indented for a harbour engineer, and therefore the India Office is not to blame for the job. Be that as it may, the whole proceeding bears out our argument—that when the Indian Government want men for special service, it is ten times more likely to obtain the right men on the spot than in sending home for them.—*March* 29, 1872.

BOMBAY HARBOUR AFFAIRS, OLD AND NEW.

THE sometime famous "Bombay Harbour and Pilotage Board"—having been absorbed in, or rather superseded by, that largely-indebted and all-powerful organisation now known as the Port Trust—publishes its Administration Report for the whole period of its existence—namely, from October, 1863, to March 31st, 1873. This aggregate and final report is presented by Lieut. H. Morland, I.N., Secretary of the Board, at the period of its dissolution. It will be inferred from the issue of this historical work that the Board has not been accustomed to give any periodical account of its stewardship. And this has been one of its weak points—albeit the Accountant-General has taken care to publish annual statements of its receipts and expenditure. . . . . .

General readers may be excused in throwing aside this large and needlessly bulky report, but they will thereby miss a notable record—occupying less than five pages—which throws a clear and pleasing light before and after the modern history of this port of Bombay. We refer to the speech of Sir Bartle Frere on the occasion of laying the corner-stone of Kennery Lighthouse in January, 1867—nearly the last address of any extent delivered by His Excellency as Governor of Bombay. Those of us who were fortunate enough to be present at that pleasant festival, and heard the speaker's historical and local allusions uttered on the site, which gave them special significance, turn with lively interest to this memento rescued by the stenographer's art. As already intimated, the erection of the Lighthouse was in itself a victory; and Sir Bartle Frere, speaking from

that old pirate stronghold, might be regarded as the Harbour Board's trophy. His Government, acting under supposed financial exigencies, had staved off the building of the Lighthouse as long as possible, meanwhile promulgating occasional little lectures on the "proper use of the lead." But the Lighthouse being a *fait accompli*, the speaker of the day proceeded, in the most natural and instructive manner, to notice the several changes in commerce and navigation of which the institution of Kennery light was an indication. He alluded to the light which had "for ages" been maintained "on the tomb of old Governor Vaux, at the mouth of the Taptee," to the small one in the Cambay Gulf, and to the little one at Mandvi, in Kutch—all which, though useful for the creeping country craft, are quite inadequate for the coasting steamers of the later day. Then he spoke of the time when the Colaba Lighthouse was one of the wonders of Bombay, and "the only first-class lighthouse in British India." He referred to the factory chimneys and rising spires of our public buildings, which render the Colaba tower less conspicuous by day, and the then new gas-lights, which, from sea, render its revolving light less noticeable by night. After his best manner, in the way of personal references, he connected these reminiscences of the past with allusions to Captain John Young and the Rev. Mr. Fletcher, amongst the older citizens present, and paid a graceful and fitting tribute to the absent Captain Barker, to whose perseverance and earnestness, as we well know, the due lighting of our harbour is mainly due. . . . . .

We are reminded on the first page of this report that, until the passing of Act XXII. of 1855, "the expenses of the port were charged against the Imperial revenue." The effects of the change from that condition of State maintenance of all harbour works, have, we think, scarcely yet been realised either here or at Calcutta, though they are in a fair way to be so under the operation of our Port Trust, which places on sea-borne commerce and the shipping trade not only all current charges for port management, but the full cost of all harbour works, old and new—defences only being left to be provided by the State. . . . The "income of the Port Funds," and also other funds gathered by new imposts, are being "diverted from their legitimate objects" for the purchase of a huge, unproductive, landed estate, and a dozen other properties, which but remotely relate to shipping, while the "expensive works" which "are commercially needed" still require to be constructed. Such is the situation to be faced. We would not add to the anxiety which Colonel Ballard and his colleagues must feel when they come to fully realise the financial and commercial bearings of the institution in their charge. We have shown how the Harbour Board's Report may assist them by contrast, to see how they stand as guardians of the trade of the port—for it is that they have to consider, more than the balance-sheet of the encumbrances for which they are only nominally responsible. . . . . —*July* 14, 1873.

II.—Colonel Ballard's Budget, presented last week, in his character as Chairman of the Port Trust, to his colleagues, the members of the Board, is a gloomy document for Bombay. Gladly would we trace the silver lining behind the cloud which hangs over our commerce, if we could; for in matters of practical business it is only waste of time and breath to lament the irremediable. But the situation so frankly and clearly described by the Chairman of the Trust is grave; and it is, therefore, wise in every one concerned to look the facts in the face at once. The vain boasts about Bombay being the centre of the universe have long since been forgotten; and it will be all we can possibly do to retain any hope of investing our port with that more modest and not yet secured title—Liverpool of the East. With certain not very important exceptions, the charges on the shipping that seeks our harbour, and all the financial administration of the traffic that traverses our foreshores, are now under an institution which, though devised in order to afford additional accommodation and provide facilities for commerce, is, for the present, known and felt chiefly as a huge taxing machine—a Frankenstein that must be propitiated with gifts. . . . . .

Perhaps, British shipowners will send their vessels to other ports, say to Calcutta or Madras; where, though natural advantages like ours in Bombay are denied, artificial exactions are kept down to a minimum. But as our produce must be exported, ships will come, at some price, to take it away; but shippers will not pay them any fancy rates merely for visiting Bombay. Therefore, the increased port dues recovered from the

shippers of goods must be again "recovered," either from the ryot or the land revenue. That is, these increased port dues, and all other charges of the kind, which may be levied when they do not represent improved facilities for traffic—and this is the state of the case—are another tax on the agriculture of Western India, another drag on the prosperity of Bombay. The measure of this tax, as it is, may be thus indicated: Colonel Ballard points out that above seven lakhs of the Port Trust's expenditure is paid away for interest and rents; and little or none of this represents accommodation for European shipping. Therefore, with the exception of that portion of the rentals that are recovered under conditions of free competition, that six or seven lakhs represents a dead weight on the trade of Western India. And if the port dues are raised as suggested, all that addition will be a further tax on commerce, pure and simple. We have already pointed out why, as matter of necessity, port dues are chosen instead of wharfage fees, as the means of increasing the Port Trust revenue; but it does not seem to have occurred to Colonel Ballard that this is entirely a levy on the shipping, as distinguished from the mercantile interest. Perhaps this does not make much difference as regards the ultimate pressure on commerce of the total imposts levied; but it is as well to remember that in Bombay the shipowners' and nautical interest is much weaker than that of the mercantile interest proper. . . . . .

Four years, at the rate the world is now going, is a sufficient period in which for the trade of a port to be revolutionised or ruined. The Trustees must give to sea-going shipping some new facilities within a fourth of that time, or the traders of Bombay will cry aloud and spare not. It is idle to indulge in dreams about what they can do when the land shall be sold. Speculations of that kind pertain to the Collector of Bombay—to whom, sooner or later, that huge encumbrance, the land estate, must be made over.—*Aug.* 25, 1873.

SIR ARTHUR COTTON AND THE OLD INDIAN NAVY.

SIR ARTHUR COTTON is not only an enthusiast, but, partly perhaps from the small account he takes of common-place folk, he has the knack of deterring ordinary readers and so-called practical men from following his arguments, by presenting some startling conclusion to begin with, to digest which would tax the stomach of an ostrich. Believing in the immense importance of the gallant engineer's contention in favour of large extension of internal communication by water, we must confess to being not a little taken aback by the announcement that the true outlet, and, we suppose, inlet too, for the heavy sea-borne traffic of India is—at Cape Comorin. Seeing, however, that there has been much talk of a magnificent harbour that could easily be made, fifty miles or so to the eastward of General Cotton's site, and all for the small sum of 75 lakhs, we are prepared to grant that the colossal harbour of Colachul, just to the west of Cape Comorin, is not an impossible project even if it cost a couple of millions—though by what power the funds are to be granted is another question. It is the system of internal communication which is to supply this gigantic port that passes one's comprehension. It takes away the breath, or sends one into the region of dreams, to be told of a network of canals which, branching upwards from the southern point of this peninsula, shall penetrate to Ludiana (why not to Attock?) on the north-west, but, on the north-east, linking itself on to the great Brahmaputra, and, after a trifling additional canalisation of two hundred miles, opening all India out to intercourse with that half-fabled river, the Yangtsekiang, and the illimitable river and canal system of China. Is it not magnificent? . . . . . .

We should be sorry if our somewhat unsympathetic presentment of Sir Arthur Cotton's grandest dream could do anything to disparage the more practical proposals advocated in his well-arranged paper, which we have published in our daily edition. Still more should we regret to say a word that would weaken the force with which, in season and out, in various shapes, he urges his two propositions: (1) "You must store water and distribute it to the thirsty earth, so that the people may increase and multiply in comfort, and live in security from fear of famine"; and (2) "make canals wherever there is produce to be interchanged, so that commerce may put its burden on the water from first to last, and avoid the expensive friction which arises under every variety of land carriage." . . . . . .

The description of the officers of the old Indian Navy given by Sir Arthur in the sentence beginning "The loss of such a body of men," &c., is not only correct and admirable in itself, but it serves to confirm the lecturer's reputation as a man who possesses direct and thorough knowledge of Indian conditions, and of the class of men and the permanent service arrangements required to cope with them successfully. In the phrases we have taken the liberty of italicising are indicated the qualities and attainments that can never be acquired by Royal Navy officers, sent to the East India station as just a little better than being on half-pay on shore, and then ordered to the Persian Gulf in vessels wholly unsuitable for the climate, and condemned for a season or two to the performance of surveying or political duties which are eminently distasteful to men who can have no traditional or personal interest in the work done, or in the changes effected. It was not by naval men stationed in the Gulf or on this coast for a two years' cruise at a time, that the piratical Arabs were brought, one by one, into the peace-preserving meshes of the Maritime Truce—an unpretending diplomatic achievement, without pattern or precedent, but singularly successful, and, as paragraphs in our paper are every day showing, possessing such expansive adaptability that it is now being used to cut short the remaining threads of the slave-trade.

The great principle on which Sir Arthur Cotton pleads for the restoration of a small but well trained and efficient Indian Naval service, is that which runs through all his paper —namely, that of all natural material agencies necessary to the profitable maintenance and extension of Indian commerce, cheap water carriage is the all-essential condition, and for that end safe and commodious harbours must be secured wherever they can best be formed, the choice of site being unfettered by local interests and prepossessions. Impartiality of personal character, public spirit, and a wide view of marine and commercial interests, were characteristics of the leading Indian Navy men, several of whom, as Sir Arthur remarks, are still to the fore in other scenes; and we freely acknowledge that when a local naval service is reorganised it will belong as much to the Bay of Bengal as to the Arabian Sea, though its head-quarters must be here in Bombay. . . . . .

As remarked above, we do not at present venture to discuss the general harbour question with so formidable an antagonist; otherwise, we should just proceed to "pull a crow" with Sir Arthur, because of his sweeping disparagement of Bombay harbour. . . . And, to glance at the inland aspect of the subject, if the reproachful presence of those natural ports on the coast of Kattiawar is sufficient to stultify the outlay on Kurrachee, how would the comparison show after these boasted natural harbours had been brought within the circle of commerce by the construction of a steamboat canal from Poshetra, in the State of Nowanuggur, to the heart of the Punjab? Queries like this will thrust themselves forward; but still we hold that there is far more in Sir Arthur Cotton's paper to be accepted than to be criticised.—*June* 17, 1873.

PORT APPLIANCES AT CALCUTTA: WHO CAN DELIVER BOMBAY?

THE Report for the year 1872-73 of "the Commissioners for making Improvements in the Port of Calcutta" is at hand. . . . Anyhow we may take it, the contract between Calcutta and Bombay, in respect of harbour facilities and port indebtedness, is very discouraging to the latter. Speaking broadly, it may be said that, while Calcutta has a liability of 35 lakhs, Bombay has one of 220 lakhs. Calcutta has already, for that small sum, secured a very respectable amount of stock or plant in modern harbour appliances, which serve the purposes of European shipping, and thereby command a good revenue—some two lakhs more income than Bombay, with its overwhelming debt. In regard to that primary condition, the service of European shipping, the assets of the Bombay Port Trusts are—*nil.* Of course there is the land; but we say now, as often before, let the Collector take it, and the Port Trust have done with the indebtedness. The situation is a dilemma; without increased trade and profit in Bombay, the Elphinstone and Moody Bay land cannot acquire saleable value; but if trade has to sustain the burden of interest on that land, our commerce will not only not increase, but must recede. The right course is obvious, the exigency is emergent: where, then, are the statesmen to take the case in hand? At Poona, at Simla, or at Westminster?—*Sept.* 9, 1873.

'THINGS OF INDIA'

MADE PLAIN;

OR,

A JOURNALIST'S RETROSPECT.

By W. MARTIN WOOD

(*Formerly Editor of the* Times of India *and of the* Bombay Review).

TO CONSIST OF FOUR PARTS.

PART II.—Section 3.

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PART II.

SECTION III.—BOMBAY—POLITICAL, COMMERCIAL, MUNICIPAL, SOCIAL.

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PREFATORY NOTE.

SEVERAL copies of this Section 3, forming the larger portion of Part II. of *Things of India Made Plain*, are issued in advance, mainly to suit the convenience of Bombay residents, past as well as present; and because the Section, dealing chiefly with affairs of that city and presidency, may be presumed to have certain special local interest. During the period of Banking, Municipal, and Commercial history covered by these selections, Bombay underwent a series of struggles, misfortunes, and experiments not only memorable to all locally concerned in them, but replete with warning and instruction for administrators and others interested in observing the results of European methods applied to the large urban communities of our Indian Empire. Thanks to the constant extension of the sea-borne trade of the port—it having reached the value of £80,000,000 in 1883, being an increase of £20,000,000 over that in 1862—the crash of 1865-6 and the accumulated monetary difficulties which cumbered the city during several succeeding years are gradually being forgotten; but it can scarcely be said that the lessons then offered by stern experience have all been duly learned. Hence these extracts, written whilst those lessons were fresh, may yet prove serviceable for local use, and also enable observers from this side to understand various anomalies and deficiencies that still exist in "the second city of the British Empire." This remark applies more especially to municipal affairs, to local business questions such as cotton-mill management, and to the lack of variety in industrial enterprise. In regard to railway and harbour appliances for the port of Bombay, very substantial progress has been made since these extracts were penned; but it will be seen from them how formidable and perplexing were the obstacles that had to be overcome. And it may be doubted whether, in the financial arrangements for the docks and other works serving the foreign commerce of the port, the local interests of Bombay citizens have always been fairly considered. Speaking of docks, it may be noted that, after years of pegging away at the subject—from the almost despairing appeal (page 217) to the opening of the Prince's Dock (page 236)—nearly seven years had to elapse; and it was stated in one of the Bombay papers quite recently that sailing vessels have still to load and discharge by cargo-boats in the open harbour.

Quite apart from civic and local topics, there may be found in these extracts many subjects touched upon that concern general questions of Indian administration—the relations of the Local to the Supreme Government on one side, and to the "Secretary of State in Council" on the other—questions that demand the careful attention of British statesmen and of all who are responsible for the future of India. To take one illustration relating to ordinary administration, that of the attack of Mussulman rioters on the Parsees in Bombay in the early part of 1874. Nothing could be plainer than the lessons of prevision, timely firmness, and impartiality taught by that occurrence; yet, in the course of 1883, in connection with what were known as the Salem Riots in the Madras Presidency, those plain duties were flagrantly neglected by the local authorities concerned, with fatal and distressing results, followed by well-grounded political agitation of very serious complexion. Yet the Madras Government of the period succumbed to the social and Service influence of the local officials responsible for permitting the outbreak and for the sub-

sequent gross miscarriage of justice. Indian law and regulations for the conduct of administration are, to speak in general terms, of remarkable completeness and excellence; but unless supported by well-informed British public opinion, and vigilantly watched by Parliament, mishaps will arise and disaster may occur. It is hoped that the study of current observations and criticisms, such as are comprised in many of these extracts, may promote that direct and continuous interest in Indian affairs by which alone our duty to the people of the country can be faithfully fulfilled.

Bombay, as a city on the sea and a centre of far-reaching inland influence, abounds with attractions for men of all pursuits; and if these reprints should serve to induce political observers of light and leisure to follow up and test the suggestions and problems which may be traced in these retrospective pages, the somewhat unusual nature of the publication may be forgiven. To not a few Anglo-Indians, whose working years have been spent in the Western Presidency, this Section may even prove welcome.

W. M. W.

EXTRACTS FROM NOTICES.

THE following selections are made from various notices of Part I. that have appeared :—

". . . We have special pleasure in welcoming the reissue of many admirable comments on various Indian topics in the work of which the first part is now before us."—*Allen's Indian Mail.*

"No reader is expected to agree with all the writer's conclusions, but it is of considerable importance on Indian affairs to have the opinion of one who was on the spot, whether we share it or not."—*Globe.*

"The present part . . . extends from 1865 to 1873, and contains many articles marked by some power of vigorous description and not a little humour. Mr. Wood has strong convictions, and he expresses them strongly; but in the majority of the articles here republished there is not much that the most susceptible and earnest of politicians will not forgive."—*Home News.*

"Intelligence, impartiality, courage, high public spirit, and an earnest desire to benefit India and its children, are stamped upon every extract."—*British Mail.*

"This book, taking for its motto the Egyptian proverb that "the Mother of Foresight looks backwards," is a selection from articles written and published by Mr. Martin Wood, from 1865 to 1880. They were written on the events of the times, considered on their merits and without adhesion to any particular theory or to any political party. . . . Dealing with the commonplace realities of Indian life and of the Indian Civil Service, things about which few in England trouble themselves, they provide for those few a great deal of valuable instruction. Arranged in the order of date, they have somewhat of the effect of a chronicle without pretending to be a history." —*Vanity Fair.*

"The selection will consist of four parts, treating separately the many political and social subjects that come up for discussion in the Indian Press. It rescues from oblivion many admirable biographical and other sketches, and puts much useful and interesting matter in a handy and permanent shape. . . . The sketches traverse a period of nearly fifteen years, contemporaneous with the Viceroyalties of Lords Mayo, Northbrook, and Lytton, with Sir Bartle Frere, Sir Seymour Fitzgerald, and Sir Philip Wodehouse as Governors of Bombay. They give a lively picture of the times, and call to mind many little incidents that are now almost forgotten, but which made considerable stir at the time when they occurred. Altogether the book is a very useful compilation both for general reading and for purposes of reference. It is very well calculated to familiarise the British public with Indian politics."—*Indu-Praksh* (Bombay).

"The student of contemporary history would do well to read and study these extracts written during a period of fifteen years by one who was no mean observer of men and things. . . . The history of this period, which commenced when the fires of the Mutiny were scarcely cooled, is sure to present much food for thought and speculation; and placed before its readers in this form, conveys in the tersest form much of profit and interest."—*African Times.*

"The reviewer brings in notes on the career and characteristics of four Viceroys, and includes certain striking passages connected with the sad fate of the Earl of Mayo. This personal section is also of special interest, in that it exhibits the great variety of public service that has to be undertaken by our countrymen and some of their native coadjutors in the difficult but elevating task of administering the British Empire of India. . . . The second section provides somewhat stiffer reading, as it deals with the extensive, and at first sight complicated, subject of Indian Public Works, the controversies on Railway Extension, on Irrigation, and on Harbours. . . ."—*Civilian.*

PART II.

3.—BOMBAY—POLITICAL, COMMERCIAL, MUNICIPAL, SOCIAL.

SITE OF A NEW CAPITAL FOR INDIA.

INDIA desires a site for a new capital, and Mr. George Campbell sets his foot down at Nassick,* saying, in effect, "This, and this only, is the place for it." Whatever may be thought as to the conclusion thus suddenly offered for our acceptance, all will admit that Mr. Campbell has done invaluable service in stating with almost scientific fidelity most of the facts which must be considered in arriving at the ultimate decision. His pamphlet, taken together with the quantity of material which must be under his hands, is well worthy of being expanded into a thin octavo for the benefit of untravelled Europeans who can well appreciate useful information set forth clearly and distinctly. Such a book, coming from one who has seen almost every part of India and has resided here so long, would, for English readers, be worth whole piles of blue-books, or shelves' full of frothy and gossiping tales of travellers. With regard to the special purpose of Mr. Campbell's book, one's suspicions of his possible partiality are dissipated on finding that he, a Bengal Civilian, sums up the claims of Calcutta to little more than those of a place like Belgaum, which, save for its elevated and salubrious situation, is utterly out of the question. The conviction forced upon the public at home by the perusal of Mr. Campbell's pamphlet—bearing in mind his official partialities and qualifications—will be, that Calcutta as a capital is irrevocably condemned. We may be reminded that Bombay stands but some three per cent. higher in the scale than does the city whose glory is departing. True; but if the eastern capital has entered on a descending groove in political and civic status, and if the western city is steadily moving up a rising incline, the case then stands very differently. The eastern city not only has possession, but, strong in prestige and association can, just for the present, afford to smile at the untried claims of her rivals, seeing that, out of the whole eight, there is only Bombay that has at hand any of the material appliances requisite for a capital.

Not that we are desirous, just now, of putting in an appearance in behalf of Bombay as *the* place for the future capital of Hindostan. There will be time enough for that discussion when Nassick, with all its bright and juvenile charms, shall have been subjected

* Or, according to the Hunterian spelling, "Nasik," about 100 miles north-east from Bombay, is situate just beyond the crest of the Ghauts, about 1,800 feet above sea-level, and near the sources of the Godaveri. Near Nasik is Deolali, the military depôt, through which nearly all British troops pass as they enter and leave India.

to the jealous scrutiny of her rivals. . . . It cannot be wondered, however, that Bombay, as the elder sister, should feel a little piqued at the "odorous" comparisons which Mr. Campbell draws to her disadvantage. Thus at Nassick are vineyards, and, what is more, grapes, which Mr. Campbell has been told "are excellent." Now if grapes be the proper food for legislators and Viceroys, as of yore was ambrosia for the gods, that statement may be to the point in choosing Nassick as the metropolis of India. Yet the good citizens of Bombay have often seen most "excellent" grapes on the breakfast table in the hospitable mansion at Parell, and such products are to be met with even in bungalows on Malabar Hill. Of course Mr. Campbell's point is, that "excellent" grapes prove the healthiness of the climate. Well; as to those classes in society of whom are the higher officials, there would be no difficulty in their obtaining residences near Bombay in situations where grapes would grow and legislators might thrive. It is a special advantage of Bombay, since the completion of the Great Indian Peninsular Railway's two lines over the Ghauts, that from hence a few hours' ride suffices to remove our citizens into a complete change of climate. On this account Mr. Campbell's pamphlet will be welcome here, as it describes in tempting terms a new sanatarium to which our citizens can readily resort. We know what Poona can do for us, and now we are shown that we have Nassick in addition, with even superior advantages. . . . Few persons who know India well can doubt that if the standard of Indian healthiness is to be set down at thirty, then Bombay can fairly claim twenty-five as her due. Both in connection with climate and "amenities," Mr. Campbell seems to have forgotten that perpetual invigorator—the sea-breeze of Bombay. It is hard to be told that we have no "amenities" at Bombay, no "green and pleasant places," no "good gardens;" but let us plead for at least a few marks on behalf of our sea-breeze—a blessing which Calcutta would give half her palaces to obtain. . .

As to "safety from attack," Mr. Campbell puts down a cipher for Bombay; a position which might make one uncomfortable, supposing there were any probability of our city being attacked by a strong nautical power—an event, by the way, which is to be deemed in the last degree unlikely. When the question of our coast defence requires to be seriously discussed, there are, besides our correspondent "C.E.," at least a dozen men who will undertake to make Bombay proof against the bombs and shells of all our enemies. Even non-professionals can see that if the harbour lights were put out—or, what would be better, removed so as to mislead—and all our pilots packed off to Poona, there would be small chance of an enemy's fleet taking up a position in our harbour. When Mr. Campbell puts down the full ten marks for Calcutta as being absolutely safe from attack, he is, of course, thinking only of the approach by the Hooghly. No doubt he is correct enough so far; no nautical enemy would imitate the "how-not-to-do-it" policy in which it appears the jog-trot merchants of Calcutta delight. The Hooghly, with its shoals, shallows, and bores, would be studiously avoided by any Admiral having respect to the nautical safety of his fleet; but what of the Mutlah? That deep estuary would afford ready approach and safe anchorage to any fleet that might be laden with all siege appliances, and with wheel carriages suitable for transport from Port Canning along the embankments of the South-eastern, ready for use in case the rails had been torn up. Once a modern siege train were within four miles of Calcutta—that low-lying city of the plain,—what could become of her stately palaces then? We merely refer to these contingencies as points of fair comparison between the present and the probable future metropolis of British India. There is little chance of either being exposed to attack, except as an incidental result of some series of incredible blunders in political policy at home. . . .

Whilst, as we intimated at starting, thanks are due to Mr. Campbell for collecting the valuable facts he has brought together in his pamphlet, it is scarcely likely that the practical solution of the Indian metropolis question will be attained through any process of synthetical reasoning. Great capitals grow, and cannot be made according to any theory however perfect. The various proportions in which so many different considerations combine to settle the locality of a city which must be at once a seat of government, an emporium of trade, and a social centre, cannot be indicated by any tabulated diagram. It would also be difficult to imagine any Anglo-Indian capital which should not be, at least, near the main sea. It is still less likely to conceive of the enormous material appliances required for any city where shall "sit Legislation's sovereign powers," being provided "to order," utterly regardless of expense, as would have to be done at Nassick. —*March* 20, 1865.

THE SPECULATIVE MANIA OF 1864-5, AND ITS RESULTS:

DELUSIONS, CRISIS, DISASTER.

IT is not a bad description of the duties of a banker to describe them as "delicate" and sometimes "disagreeable;" but our charge against the bankers—and in this case against the Bank of Bombay—is, that for fear of what was "disagreeable" in the way of their duty, they have shirked the "delicate" part of it. It was but a very rough-and-ready process for the Bank Directors to post up a high rate of interest, and then, without the slightest attempt at discriminating between the purposes to which their money was to be applied, to say to speculators and merchants alike, "Those are our terms; help yourselves." The former class have done so to their hearts' content; and so the bankers, not having troubled themselves with the "delicate" part of their duty, now find thrust on them, in a mass, all the *desagremens* of their profession.

It is only by courtesy that the Bank of Bombay can claim any exemption from the blame which attaches to the older exchange banks, for having beforetime fed speculation, and now starving legitimate trade. The Bank, it is true, did not directly advance upon shares until the passing of a certain memorable resolution. But what it did not do itself, it did by others. We imagine it could be no secret to the Directors that many of the financial associations and new banks who became debtors to the Bank at high rates of interest, were engaged in scarcely anything else but share transactions. Partly on this account we agree with the *Gazette*, that men prominent for speculative transactions ought not to have had a seat on the Board of Directors. This was, indeed is, a matter for the shareholders of the Bank to consider: but they might well ask, Where shall we find eight financial purists? where are the incorruptibles who, in these days of luxurious premiums, have contented themselves with the "cold mutton" of common-place trade?

One writer, on behalf of the Banks, helplessly asks, "What are they to do?" We answer, They are to fulfil their implied contract with the commercial public, and cease from needlessly aggravating the pressure they have had so large a share in bringing about. No one believes anything so foolish as that bankers "can create money when there is none in the place;" but every one knows that there are large funds in Bombay which, if not *arbitrarily withheld* from the channels of legitimate trade, would speedily relieve the pressing wants of the community. At such a crisis as this it frequently is the case that "public confidence" and consequent "prosperity" do depend upon the combined "efforts of the will" of the community. We have endeavoured to point out various considerations which should have a tonic effect on "the will" of the commercial public. Our contemporary has thought best to take the opposite course—that of deepening the depression and backing up a certain class of bankers, whose conduct, if we mistake not, will meet with lasting condemnation in Bombay. In demanding "a little wholesome rigour," the *Gazette* only incites bewildered creditors to bring about an indiscriminate smash, which would most certainly postpone indefinitely the revival of credit. . . . . .—*April* 22, 1865.

II.—We have no wish to underrate the gravity of the crisis that has seemed to be impending over Bombay during the last two or three weeks. So threatening and gloomy has been the prospect that those who could best estimate the danger have feared to speak too freely of it, lest they should accelerate the peril that could not be averted. A striking illustration of the sweeping losses that the recent fall in the Liverpool cotton market has inflicted on the merchants of Bombay is afforded by a popular calculation respecting one of the more prominent cotton shippers. It is said that, so large have been the shipments by this one merchant, that the decline of each penny per pound in cotton has represented to him a loss of more than 30 lakhs (£300,000). This estimate we give for what it is worth; but, as the returns show the total number of bales exported in the first three months of this year to have been 433,098—by far the larger part of which will not have reached its destination—it is easy to see that the aggregate loss to Bombay exporters must be very serious. There are, indeed, the splendid profits of former years to set against this loss; and the feeling has been—"If we could only know the worst, some arrangement might be made that would bring Bombay out of the trial unscathed." . . . . . .

But we have no intention here to go into the estimate of cotton prices for the future; our object was simply to join in the congratulations which every one in Bombay must be desirous of exchanging with his neighbours on seeing that the city has escaped a terrible financial calamity. We say, "has escaped," for, though there will be no doubt many grievous individual losses, there is not now any reasonable probability of that widespread ruin and confusion which the dread words "Fair Dollerah tenpence" would have spread throughout our island. The feeling has seemed to be—"We are rich, and can stand this much, but another straw will break the camel's back." Much of the present depression in Indian cotton is owing to the disproportionate favour in which even old American cotton is held—a fact which ought to influence our cotton growers if it could only reach their ears—but, as we have already remarked, the present excessive supply of American cotton cannot be kept up. We would not, however, countenance the notion that there is any likelihood of Indian cotton recovering its recently high price. Breathing time is again allowed to Bombay,—let us trust that it will be put to good account, so that such follies as time-bargains in shares, or attempts to buy up all the produce of a province, will never be heard of again.—*April* 27, 1866.

III.—There is need just now for the greatest calmness and discretion on the part of the bankers and financiers of Bombay. By this we do not mean cautious and jealous timidity—of which there is already too much in some quarters—but it is a wise and prudent courage that is required. There is much temporary uneasiness in Bombay; but, we believe, if the facts of our financial position be looked at in a reasonable spirit, there is no real cause for panic or alarm. Shares are depreciated, some perhaps unsaleable; but—although that is so much the worse for those who thought only of premiums and who bought only to sell—the real wealth of Bombay is not materially diminished. Of the several millions sterling which during the last three years have poured into Bombay, very little comparatively has yet been sunk as fixed capital. The price of cotton in England has been maintained, in face of the great event which was to bring it to its lowest point. The price at which it now stands here is more than twice the sum that would leave a profit for the cultivator. Even if cotton were not to be sown by the ryots, there are several other products which would be drawn through Bombay towards the markets of Europe. . . . . .—*May* 2, 1865.

IV.—Let us express a hope that this Monday morning, the beginning of the English business week, opens with a prospect of some methods being found to avert the calamities which, during last week, have loured over Bombay. Not yet have the definite disasters befallen us that have been dreaded, and busy brains have been at work to devise what it is in the power of financial skill to effect. It is future and uncertain evils rather than present necessities which press upon us; and a little prompt decision, combined with *immediate practical* help, will yet carry safely through the monetary credit of Bombay. . . . All, however, that has been gained by the exercise of patience and determination is, that a respite is now given in which for work to be done. . . . It is useless to lament over irreparable losses, but it is wise to gather up the fragments. Towards this object, we believe, it has been suggested that there might be formed an association to promote a general liquidation of all the newest aud weakest schemes, which may enable their promoters to get out of the shallows whereon, in company with even prouder craft, they find themselves stranded. . . . As intimated, such an association should only be regarded as a special expedient; it should promise no profit except simple interest, and it should be dissolved as soon as its work was done. Were such a voluntary court of equity to be established, the gain to the community would be very great. It would, at a very much smaller aggregate expense, conduct those liquidating transactions which, if done piece-meal, and in each separate case attended with heavy legal charges, would consume the lion's share of the assets. . . . . .—*May* 8, 1865.

V.—However severe may be the pressure of financial difficulty to-day, no one need speak of it with surprise, and there is scarcely scope for any one to add to the panic feeling by predicting worse evils to come. A man whose liabilities quadruple his assets knows that he is ruined, and the formality of handing his "char anna" (6d.) into the

keeping of trustees is an operation which should relieve his mind rather than depress him. An honest man, though ever so imprudent, can still hold up his head so long as he maintains the firm resolve to give up his present possessions and, if need be, his future earnings to satisfy obligations for which he has voluntarily made himself responsible. Nothing short of this will satisfy a man of integrity; and, besides signal instances that might be named, we feel sure that such a course will be the rule in Bombay. For most business men of our city there may reasonably be anticipated many years of future life, in which they may retrieve their own losses and indemnify those who have lost through their miscalculations or imprudence. The trade of Bombay and the prosperity of Western India are established on such a sound basis that, as far as the fortunes of the community are concerned, any revival is possible. There are, therefore, not only the considerations of duty which always impel men to act honourably, but added thereto are the reasonable inducements of future hope. There will no doubt be some exceptions to that course of strict rectitude which, however temptations abound, must be upheld as the standard of honour in a community on which the eyes of the world are set. In speaking of temptations, the "repudiation of time-bargains" is a phrase that will at once suggest itself, though, we trust, one still to be received with unequivocal condemnation. . . . .

This brings us again to the point that it is credit rather than cash that Bombay needs just now. Had our contemporary, instead of following the Indian weakness of praying to Government, addressed itself to the exchange banks, it would have taken, if not a more hopeful, at least a more direct course to a remedy. The managers of those banks have it in their power to change the face of things in Bombay in a few days. We say "have it in their power" merely for sake of stating the question; the managers here are evidently reduced to the position of automatons, moving or rather bound by wires from their London boards. It is evident that no confidence is placed in their discretion, and they are content to occupy the position of routine clerks. With ample funds at their command, they still refuse to afford that assistance to legitimate commerce which, if granted, would at once relieve the pressure and give opportunity for credit to revive. Of course these banks are private institutions, and can do as they like; but their London directors need not wonder if their "dog in the manger policy" be remembered by the merchants of Bombay for many years to come.

Our contemporary refers to a plan, advocated in our columns some weeks ago, whereby land, and shares in land companies, could be represented by a special stock, which might be duplicated, so that the title-deeds and original shares being deposited with a company of trustees, their owners might ultimately acquire an enhanced value in them when credit is restored. If some of our citizens who stand uninjured by the storm around them would gather together and make a resolute attempt to secure the valuable salvage that is floating around them, they would entitle themselves to the lasting thanks of the community. It is not too late; indeed, some such movement is more needed than ever in order to stave off the utter prostration of commercial affairs. It is no time to stand upon ceremony, nor is it wise to allow little personal jealousies to stand in the way of such an effort.—*June* 16, 1865.

VI.—It may often seem futile to remonstrate with a crowd, but many an officer has saved his troop by checking them in their flight when impelled by an exaggerated sense of danger. With any one who calmly reviews the present circumstances and recent history of Bombay, there can be no question that the panic around us is excessively exaggerated. There is excuse enough for this with those who find themselves insolvent, or see all their largest debtors becoming so. But there must be hundreds of men in Bombay who, having no personal occasion to allow their judgment to be unsettled, ought to be able to make head against the unreasoning terror around them. If some of this class take a quiet hour and look into the history of panics which have swept over other commercial cities, they will find that it is no strange or unheard-of thing that has happened in Bombay. The crisis, most similar in its causes to this under which Bombay now groans, is that which in England followed on the 'railway mania' of 1847. Though materials for comparison are not now before us, we imagine that Bombay has improved upon that example in the excessive rate which premiums have reached. But in one very substantial respect Bombay has the advantage over England in 1847. There has not been nearly so

large a proportion of her wealth actually sunk as fixed capital in her reclamation schemes as in England was swallowed by the first outlay for railway works. The net losses in Bombay have been from one person or company to another; many have lost very grievously, and very few indeed have won. The chief reason for this is, that the mere superficial loss in excessive premiums has, by the panic and *destruction of credit*, been converted into a real loss and permanent ruin for those individuals who, in the midst of the storm, are forced to liquidate their estates. In many cases there is no warding off what has been the result of individual miscalculation and imprudence. . . . . .

In expressing what we believe is a very general feeling of satisfaction at seeing the Government offer its support to the Bank, we did not do so through any philanthropic interest in the shareholders, much less from any sympathy with the directors. We expressed gratification because the public safety was bound up in the matter; but even on that account it was not to be desired that "the Bank should be permitted to appropriate a large sum of public money for the payment of its debt." . . . Whatever assistance is given to the Bank by the Government the Bank will have to account for and pay for. The Government only increases its ordinary deposits, and anticipates in some degree its issues of currency; but it does this through the Bank at a time when, owing to special causes, there is a lack of the confidence usually felt in that institution. The Government makes a tangible demonstration of its own confidence in the solvency of the Bank, and that, too, at a time when some other banks, which might fairly have been expected to assist in upholding public credit, have taken a course calculated to destroy all confidence. The Government deserve commendation for having acted on the principle that "banks exist for the community, and not the community for banks." It was to save the community from the ruinous consequences which would follow the total destruction of credit that the Government interposed. We think some disappointment must have been felt when it was observed that the measure was met in some quarters in such a captious spirit that, if general, would have deprived it of half its value. The Bank will, of course, have to pay in interest and consequent diminution of dividends for any advances it may receive; and nothing can be done to replace capital which the indiscretion of the directors may have sacrificed. With all that, however, the public have but a secondary interest; it is sufficient for them now that they know the Bank of the Sircar (Government) will meet all demands brought against it. . . . .—*June* 21, 1865.

A DARK DAY IN JULY.*

BOMBAY will to-day be too busy to trouble itself with thinking. Possibly, after sundown, some of our citizens will feel convinced that they ought to have taken more time to think a few months ago; and, it is very certain, many will find during the next week more occasion for reflection than ever they did before. This remark applies more forcibly, for the moment, to the private history of individuals; but it is not our business to deal with considerations of that class. All we can do is to point to the more obvious reflections which, suggested by the probable transactions of to-day, affect the general interests of the community as a whole. . . . Amidst the extraordinary pressure of to-day's business no one can realize the lasting importance of the issues which, though prepared for by long previous effort, are to be settled and recorded on this 1st of July, but it is certain that the day must become memorable in the history of Bombay.

Few people have not had occasion to feel how unwelcome are the wounds inflicted by your candid friends. This is especially the case in the numerous instances when advisers of that order are in undue haste to claim acknowledgment of their title to that gift of foresight which they assume their groaning victim has despised. Our familiar

* During this month in Bombay, the monsoon being at its height, the sky is usually overcast with thick clouds. As it chanced in 1865, July opened under a firmament unusually clear; but the thick cloud of financial disaster culminated on that day. It was the date fixed for settlement of the "time-bargains" in "Back Bay," and other shares sold at enormous premiums for delivery on July 1st. By the irony of legislative procrastination, it was decreed, under the "Wagering Act" (No. III. of 1865), that *after* that fatal day time-bargains should be illegal and irrecoverable: hence no other such cataclysm of mutual indebtedness and local ruin has since occurred in Western India.

acquaintance, the *Overland Mail*, in a recent number, addresses benighted Bombay in that patronising manner which reminds one of the "always-told-you-so" style of consolation. Thus our kind mentor takes up his impertinent parable: "We always predicted that those who were urging on the capitalists of India to over-production and excessive speculation would be proved, after a while, to have urged them on to their ruin." As is generally the fate of those who prophesy after the event, our seer must bear to be told that there is no remembrance with us of his wise sayings. Moreover, it is not at all likely that a writer unemancipated from the ancient fallacy of "over-production," would have been able to give any advice worth heeding for a moment by a community whose proper and imperative business it was to produce as much and as speedily as possible. Were there now in Bombay cotton enough to pile up to the roof of every shelter in the island, and to fill every ship in the harbour, we should be better ready to face the demands of to-day. Perhaps if there had been the "over-production" which the old-fashioned writer dreads, there might not have been the "excessive speculation" which has filled us with confusion, and made of Bombay a mark for the reproach and derision of any one who cares to have his passing fling at us. . . . . .

It is easy to-day to see that we have gone sadly wrong in having chosen the path of speculation rather than that of production; though it is not quite so clear where it was that the two paths divided, or what it was that pushed Bombay from the true path of steady material development. Perhaps the traditional aversion of the *sircar* and the older part of the Service to developers and Western industry might have a deterring effect, in the first instance; then, when certain local circumstances set the fashion of a sort of congested investment within the island itself, the heedless crowd followed. Still we do not see that strangers of the West have any right to lecture us hereon. Yet on this day, when Bombay does penance for the errors committed, it is a fitting time to acknowledge our mistakes, and so to take the first step in the path of repentance. Though the *Overland Mail* is quite wrong in speaking as if there could be any general "over-production" of useful commodities, we must ruefully admit that there has been a decided over-production under the head of "financials," and in all the machinery that is merely intermediate in the work of international commerce. How this has come to pass, is a question which may stand over for answer at another opportunity; but from this day should date some better-devised and more comprehensive efforts, on the part of our leading capitalists, towards developing the inexhaustible resources of Western India. It is true that a desire for a high rate of profit must be laid aside, and Eastern notions of rapid gain will have to blend with the Western maxim of "slow but sure." No time, however, could be so opportune for the growth of sober views of commercial progress as will be this gloomy month of July in the monsoon of 1865. . . . When this 1st of July is passed we shall breathe freely once more; but let Bombay never forget the lessons which the results of this day should teach.—*July* 1, 1865.

INFLUX OF WEALTH TO WESTERN INDIA IN 1860-5.

WE are told that "India talks of nothing but Bombay," so it is quite proper that Bombay should talk about itself. The talk alluded to refers to the very important question of how much money has Bombay had given to it, and what has been done with the large sum which, whatever be the exact amount, all the world knows we have received? A Calcutta contemporary has been endeavouring to reckon up our debit and credit account with the civilized world, mainly, of course, with England, and the calculation is principally based upon cotton exports and bullion imports. On the face of things it might seem one of the most simple problems ever presented in this age of statistics. Having, however, made several essays towards taking stock on behalf of Bombay, we can appreciate the proper modesty of our contemporary when he confesses that "it is with no little hesitation he attempts to answer the question." Let the ascertainable facts be gathered as faithfully as may be, there will still be a wide margin of uncertainty; and, as the Calcutta writer says, "we must necessarily deal in round numbers and somewhat vague statements." It may be said, What, then, is the use of presenting an estimate which must necessarily be incomplete? We answer, that though not full, it need not therefore be incorrect; and such a general review is always of service

as affording clay and straw from which each reader may make bricks for himself. Some facts are sure to be brought forward in respect of which general agreement is certain, besides others to which the majority of readers assent; and in this way a current opinion is gradually formed which serves to mould practical efforts when the occasion arises. Every one is just now ready to admit that great commercial mistakes have been made in Bombay; and in such a mood, especially during the comparative leisure of the monsoon, we are all more likely to take a sober estimate of the means at the disposal of the community. The *Friend of India*, in its not unkindly comments on our affairs, affords us excuse for going over ground which we have several times travelled before. . . . . .

Now we submit that it is a delusion to speak of Bombay having "sent back" any of that wealth in any shape whatever. Much of the bullion arriving in the earlier part of this year was probably in payment for very high-priced cotton; but that did not concern Bombay. The very mention of the word "bullion" ought to have reminded the writer that it represented payment for goods actually received in Europe, and was the balance in final settlement of completed transactions. Whatever is uncertain in these matters, there can be no mistake that Western India still keeps a very firm grip on all the bullion received. The re-drafts on cotton that come to a falling market do represent positive losses on part of the firms sending the goods; but the amount of those re-drafts can only be regarded as a loss on the part of the community when taken as a set-off against a statement of our aggregate profits based upon the value of our exports. Had the *Friend* estimated our surplus profits by a reference to the increase in our exports, the sum of sixty millions which it gives us to start with in the career of speculation, would have been inadequate, as we may shortly endeavour to show. It is a very convenient method to fix upon our bullion imports as a measure of the new wealth gained by Western India, and for a rough guess it suffices to give a tolerably correct impression. As, however, bullion is only one of our imports, and as its value to us depends upon the cost of what we send in return, it is manifest that many other things are to be considered besides. We might illustrate the unreliability of mere partial statistics by a reference to the other side of the account. Thus, for the five years ending April, 1860, and 1865 respectively, our exports of cotton to Great Britain amounted, approximately, in the former case to £15,280,000, in the latter to £83,450,000. But during the former five years there was probably 20 per cent. more cotton sent in addition to China, which in the last five years has all come into the account for exportation to England. . . . . .

It is an interesting subject for surmise—how far has the influx of wealth into Western India affected the ancient habit of hoarding? The *Friend of India*, referring, and very properly so, to Mr. John Fleming as an excellent authority, asserts that neither the ryots nor the small traders "send back their new savings or old hoards" to Bombay. Our contemporary must have misunderstood Mr. Fleming. That gentleman might probably state exactly what the *Friend* says; but he would also, as we have heard him do, add thereto another statement which requires a different conclusion. Though ryots and retail dealers did not send money to Bombay, the shroffs and money-lenders did do so, for their occupation was gone in the mofussil as their clients became rich. It is probable they have now found to their cost that it is difficult to get it back if they desired to hoard it ever so. This money of the shroffs, then, is one of the proximate sources of the present wealth of Bombay, and must be reckoned with the rest. After all the deductions for profitless investment and squandering are allowed for, we feel satisfied that Bombay still retains a large fund which, employed on practical and honest enterprises, would speedily be productive. . . . . .—*July* 10, 1865.

II.—Seldom has a city been more favoured by fortune than has Bombay. During the past four years at least fifty millions sterling have been poured into Western India, a very large proportion of which has stopped short in this city, almost the only exporting mart of the Presidency. These circumstances being known to all the world, it is easy to understand how, from all parts and especially from home, keen scrutiny should be directed to the mode in which this huge influx of clear profit has been administered and distributed. We do not here speak of its application to industrial improvements; that is a very diversified, and, it is deeply to be regretted, a somewhat humiliating subject. We need not now point out, as in so many detailed shapes has often been done before, how the

great stream of this wealth has failed to reach the purposes of most permanent utility, alike in the harbour, the city, and the mofussil—how the fructifying influence of this flood is, as it were, receding from the broad surface of general society in Western India, and is settling down in a few pools of private profit in this city—the great channel by which it entered. Much of this result was to be expected in the case of a population so deficient in general education and wholly unhabituated to the working and organisation of our modern joint-stock enterprises. The original resident proprietors and capitalists, a few native brokers and agents of preternatural astuteness, skilled in the methods of English commerce as well as Asiatic, and those amongst the leading European merchants whose position enables them to obtain, and whose prudence taught them to seize their fortune at the flood, these are the classes amongst whom has been shared the lion's portion of our national wealth. Outside of, and partly mingled amongst each of these classes has been a miscellaneous crowd who have displayed no lack of eagerness and determination to share in this wealth, which ought to have been diffused far more equally over the whole community. . . . It is needless here to repeat the more familiar names of men of the general class of adventurers, though, sooth to say, the list was a varied one. There was also this common characteristic—they were, with few exceptions, untried men, and though, as we have intimated, worthy of reasonable confidence for all ordinary purposes of business, they might be said to have all to gain and nothing to lose. . . . . .

It is not, however, surprising that amongst this class (*i.e.*, the owners of capital which has been frittered away in the speculations of other people) there should be much dissatisfaction. Few persons can look on with equanimity when they see that their savings have been placed in the hands of other men for purposes for which they would not have themselves dared to employ the money. . . . The owners of banking capital, the shareholders, naturally turn to their agents, the directors and managers of these institutions, and look for an explanation of the great losses that have been incurred, and for reasons why their funds should have been diverted from purposes of legitimate trade. They are told in general terms that "the times have been exceptional," that "what managers have done has been done for the best," that "although it is true all the profits are lost (*i.e.*, the dividends), that the reserve fund has disappeared, and even a couple of lakhs of capital also, yet the future prospects are good." But the tenour of these pleas only confirms the uneasy feeling that what has happened once may happen again; and the feeling has grown into a conviction, that without a very different understanding as to the responsibility of managers and directors, similar irregularities and losses as heavy may occur again. . . . Though the circumstances of the time have been exceptional, so have been the irregularities complained of, and the amounts lent and lost. It is therefore quite pertinent to ask, for instance, why A. B. should have been freely permitted to squander 40 lakhs, and then be unconditionally released from a deficiency of 20 lakhs? So we might go on through half the alphabet; but we only desire to specify so much as may suffice to put the whole system of granting personal loans on a different footing for the future, that thereby the credit of Bombay may be raised and the nett aggregate profits of the community may be economised for useful purposes and legitimate trade. . . . . .

There is another side in which to view the dispersion of so much saved capital: what would it have done if applied to some work of public improvement? The Bench of Justices (*i.e.*, the Corporation) higgle over and contest proposals for the expenditure of four or five lakhs, and very properly so too, though the outlay is pleaded for on behalf of some urgent municipal need. In the Commissioner's October budget he remarked: "Our very existence as a city depends now in a great measure on the Vehar water-supply. It is our life, and we must in self-preservation maintain and economise it." Then he states that 15 lakhs would secure for Bombay a new Vehar main and important extensions. Thus it appears that a great work of vital importance to the city, one which our Corporation is at its wits' end to provide the means for, might be accomplished with three-fourths of the amount which one "customer" of the Bombay banks has been allowed to dissipate in splendid but ruinous speculations. Not only would the 20 lakhs have secured our crowded city from the dire peril of a water famine, but the residue would have sufficed to build up the European Hospital, the forlorn foundations for which lie as a mute reproach to our wealthy city; or, again, the five spare lakhs would provide a handsome donum wherewith to buy out the grasping Great Indian Peninsular from its design of encumbering

our streets. We merely mention these purposes as illustrations of the value of money—a subject on which very hazy notions have been current in Bombay. . . . . .

To return to our starting point. Bombay is fortunate not only in having already had an unprecedented influx of wealth, but in its present prospect of another lease of prosperity. That the silver mines of Western India may be worked for the benefit of the whole community, and the produce be fairly distributed amongst the various classes of society, it is in the first instance essential that the management of all our financial institutions should be regular, prudent, and above suspicion.—*Jan.* 4, 1866.

CALCUTTA AND BOMBAY:

COMPARISONS ODIOUS AND OTHERWISE.

MOST of us have at one time or other flinched under those refined inflictions which can only be administered by a "candid friend." Whenever he meets us under misfortune, in what dreadful array he sets before us the long list of our follies, whilst he sternly points to our luckless circumstances as affording unanswerable proof at once of the justice of his unwelcome lecture and the superiority of his own conduct and character! Few of us are stoical enough to endure this social lynch-law with proper equanimity. We think, but have seldom the courage to say so, that the volunteered admonitions come very untimely; for, be it noted, your "candid friend" is never more demonstrative of his zeal for your good, never more confident in recalling his predictions of your coming fall—which, somehow, no one remembers but himself—than when you are in the depths of your distress and perplexity. . . . Bombay, in the midst of misfortune, struggling for very life in a slough of commercial despondency, has found her "candid friend" in the *Friend of India;* and we observe that our daily contemporary has afforded its readers an opportunity of seeing themselves as some others see them who look through the heated atmosphere on the banks of the Hooghly. Our *Friend,* true to his character as the "candid man," cannot afford to let a week go by whilst we take breath, lest he should lose his coveted opportunity for drawing a sensation sketch, and miss his chance of reading us a homily in respect of sins which Calcutta "has no mind to," and which that declining city can never more have any chance of committing. The article from the *Friend of India* on the "Modern Babylon," will remind many readers of a certain "letter from Bombay" which appeared very prominently in the London *Times* early in 1865. The writer, who appeared to have passed through Bombay at the moment when our sudden but then legitimate prosperity was at its culminating point, had just caught up a few of the more prominent facts and characteristics visible on the surface of society, or that were thrown up amidst the persiflage and *gup* of that agitated time. Mainly out of those flimsy materials, deftly blended with obvious and well-known facts respecting the cotton trade and Western India, the writer of the letter in the *Times* managed to produce a grotesque though glowing picture of Bombay, in which incongruous colours and strong artificial light combined to produce a representation as exaggerated and untrue in effect as it was striking and suitable for its transient purpose. So with the picture of Bombay as it is to-day: the prices quoted and the very few facts embodied in the article "Modern Babylon" are known to every one: but numerous statements in the *Friend's* articles, though written as if duly authenticated, as well as most of the inferences and assertions contained in it, are purely of Calcutta manufacture, and are so arranged that the whole tableau is eminently adapted to mislead the press and public at home. Take, for instance, the inference in which the *Friend* summarises his confused Babylonian dream: "If the facts stated in the Bombay papers, and vouched for by our own correspondents, are true, Bombay must fall with the speculators it has worshipped, and great will be the fall of it." . . . What are the "facts" which are so certain to prove the final overthrow of Bombay that our candid *Friend* is "unconsciously" (!) moved to such prophetic fervour, that, in order to relieve his o'erladen breast, he must quote Hebrew anathemas against Tyre and Sidon? These "facts" may be summarised in the writer's statement that some merchants here "bought millions of pounds of cotton at a shilling each, anticipating a sale at sixteen-pence." We are not told how many of our merchants have made this serious mistake, nor how many bales were purchased at "a shilling for each pound"—"facts" of this kind duly authenticated would have been of great service in

aiding our merchants and bankers to see a little before them—and we are left to form our own estimate of the aggregate loss which is to be the overthrow of Bombay. . . . .

Perhaps we have dwelt too long on the *Friend's* fantastic prediction of the financial ruin of all Bombay, and the last quotation reminds us that the article contains other and more reckless dashes of the painter's brush. What is to be said of any Indian journalist who, either through ignorance or civic jealousy, would write of Bombay as "still a collection of hovels amid widespread filth on the finest site in the world next to Constantinople"? We are quite aware that, compared with its new wants, Bombay is inadequately supplied with good bungalows; that Frere Town, though planned, is not yet built; and that the "elevations" of our new Court House and Secretariat are to be seen only in the architects' offices; but, after every admission of that kind, we are free to donounce the *Friend of India's* "collection of hovels amid widespread filth" as an unwarrantable exaggeration more gross than any traveller's tale. The native town of Bombay sadly requires improvement; it needs two or three wide streets to be driven through it; but we generally supposed that the houses are built of masonry. There are "hovels" enough in the suburbs, and wherever the crowds of poor reclamation coolies can put them up near the place of their work; but Bombay is at the best an Indian city, and we suppose that the "City of Palaces" itself could furnish a far larger "collection of hovels" than are to be found in Bombay. Then as to this reproach about "widespread filth," there must be some mistake, for our municipal authorities assure us that day by day our noxious matter is being cleared away completely. But is it so in Calcutta, and can Dr. Tonnerre make any such boast? Certainly not, to judge by the complaints we hear of the deplorable state in which large districts of that city are left in neglect, and the noxious condition of the Hooghly, from whence cholera is never absent. We have just heard, too, of the Calcutta Municipality abandoning a sum set apart for building a new market, though it is said that the present places where food is sold are filthy beyond description. We regret exceedingly that Calcutta should be in such plight as to sanitary matters, and that such a large number of her labouring classes, many of whom are just now at the point of starvation, should have to dwell in "hovels." It is, moreover, a pity that the ostentatious *Friend of India* should have to be reminded of these things; but when that journal publishes, we suppose for the public at home, a description of Bombay which is as incorrect as it is offensive, it is open to us to remind the same public that in all sanitary respects Bombay is in much better case than the ancient and splendid but malarious city of Calcutta. There is another reproach (one already alluded to) brought against Bombay by the Calcutta writer, which, though ingeniously worded so as to miss the facts of the case, seems singularly unfair and misleading. We refer to the remark: "With all the wealth of these five years, they had not managed to build a hotel, or a church, or a Christian school, or a public office, or anything beyond the Elphinstone Circle and Elphinstone reclamation works, which did not owe their existence to cotton at all." As it happens, nearly every charitable and educational work in Bombay, besides the two so cunningly picked out by the writer, has been prosecuted with a vigour unknown within "the ditch;" and as to hotels, a very complete one has been built and opened, and another good one has been opened besides. Possibly a new church was not much needed in Bombay, but considerable sums have been expended on the additions to the cathedral, and a splendid organ has just been erected in it. Though a Christian school has not been built, all the existing ones have, we believe, been materially strengthened in their funds, excepting, of course, the unpopular semi-governmental Byculla school. But the arrangements already made, and the subscriptions long since put down for two or three sets of schools for European children, are sufficient answer to the invidious contrast drawn by the *Friend* between "the wealth of these five years" and the lack of church and school building in Bombay. Hotels, churches, and Christian schools are necessarily the concern of Europeans in Bombay; but the *Friend* is under a mistake if he thinks that any appreciable proportion of "the wealth of these five years" has fallen to their lot, except in the case of a mere handful who got clear off with their spoil. For purposes of general benevolence, the list of subscriptions that have been given in Bombay during the last five years would present such a total as would dwarf into insignificance the public benefactions of Calcutta during any similar period. University buildings and scholarships; three or four hospitals at Bombay and Poona; the Parsee sanitarium at Colaba, a large dispensary at Callian, besides others in Gujerat; numerous school funds and *Madressas* in

the same province; the fine decorative buildings in connection with the Victoria Gardens besides several other ornamental additions to existing public buildings; and *dhurrumsallas* both in the city and at various railway stations, besides untold private gifts,—all these varied demonstrations of liberality and contrivances for ensuring to Western India so many perennial streams of beneficence have at least been left to us from "the wealth of these five years." Our unjust critic may, at any rate, take grudging thanks for having, in this gloomy hour, reminded us by his unfair omissions that there have been some incidents during the race for wealth in Western India which will result in the benefit of a grateful posterity.

True to the last to its character of a "Job's comforter," the *Friend of India* "cannot close its remarks without a reference to the banking associations of the island, and especially the Bank of Bombay." Any judicious friend of this city would speak with bated breath of these topics in such a crisis; but we may quote the following remarks, seeing that the chief circumstances referred to have passed away:—

> Now we believe that if the Bank of Bombay had not first fanned the flame of speculation by lavish advances on too small a margin, by having as its directors at least one great speculator and one most speculative Government Civilian, and if it had not, under a pernicious rule smuggled into its new charter, increased the difficulty it had thus created, the past and the impending crisis would have proved of manageable proportions.

These matters have long since been canvassed here, and it is not just now a time to discuss what might have been prevented. As a climax to its unjust, incorrect, and ill-timed article on Bombay, our "candid" *Friend* "imperatively demands a public inquiry into the management of the Bank." There may be found reasons for this course some day; but when the ship's crew are working at the pumps for their lives, the passenger who should urge an inquiry into a mutiny of a month before would almost deserve to be pitched overboard.—*May* 21, 1866.

JOINT-STOCK ENTERPRISE:

ITS TRIALS, USES, AND ABUSES.

IT is certainly not because of a desire to keep down any sound improvement in monetary affairs that we speak in terms of caution. We have often endeavoured to show that there is scope for genuine business progress, and therefore for the prices of some kinds of stock to go up. But let us be sure the progress is genuine. If people had begun carefully to examine the accounts and make a sober estimate of the property possessed by different companies, it would be reasonable to look for the recent advances in shares being permanent. There is little of that sober process going forward, that we can hear of. It is not in the nature of things that, before a single one of the rotten schemes that have collapsed has been wound up, *bonâ fide* investors should have come forward. Those whose purchases have caused the present spurt in the share market can scarcely be any other than men who wish to buy only to sell. This is speculation, and can only tend to the profit of a few and the loss of many. Some of the concerns which have shared this improvement are so far sound that no doubt they will eventually attain a permanent value above that at which they stand to-day; yet there are others which have also participated in the advance, although belonging to a set of companies which ought to be removed from off the face of the island as speedily as accountants can undertake the settlement of their affairs. So it is the caprice of speculation that is at work, and not that discreet discrimination which is characteristic of the steady movements of investors. The old leaven is at work; and we regret to see that there is yet a large portion of our community that allows itself to be moulded as the passive clay of the potter. There has, indeed, been enough to sober the people of Bombay, and make them turn to honest hard work. If they still allow themselves to be moved by the covetous desire of becoming wealthy without labour and patience, there is small hope for our city. We have inclined to the opinion that there is much realised wealth in Bombay notwithstanding all our disasters; but that capital needs to be applied by men who will insist on knowing for what it is spent, and by shareholders who will look after their own affairs. When the proper time for investment has come, more ingenuity and more trouble will have to be taken in "planting" the capital than has been the fashion in the fools'

paradise from which the Bombayites have been driven. Companies we shall have, but the objects they aim to accomplish must be such that the shareholders can understand. This condition points in the direction of commonplace enterprises of planting, carrying, and building—and these to be carried on beyond the narrow limits of this cramped up little island.—*July* 16, 1865.

II.—Back Bay has often, in the minds and expressions of many, been made to stand as scapegoat for many a foolish scheme, so that much interest attaches to what the "Bombay Reclamation Company" can say for itself. The Directors, in their report read on Friday, say with regard to the progress of the work, that they have little to add to the information given on the 6th June. Yet there is something satisfactory in the appearance of the small business-like pamphlet handed round at the meeting which contained the "First Annual Report" of the Directors of this celebrated Company. When the twentieth report comes to be issued, this pamphlet will probably have considerable historical interest; for, whether the great enterprise prove successful or not, it is bound to be famous in the annals of the island. The slight history given in the pamphlet is only in outline, but is quite sufficient for those who can remember, as of yesterday, the time when the Engineer of the Bengal, Bombay, and Central Indian Railway Company conceived the innocent design of "obtaining outside assistance to hasten the making of the line from Grant Road to Colaba." The Engineer told his desire to the Hon. Michael Scott, and we know the rest.

In characterising the report of the Reclamation Company as satisfactory, we do not so speak of it because the pamphlet reveals either the time when the returns will come in, or the amount of profit that will be gained from Back Bay. But the sober pamphlet is satisfactory because in perusing it we escape from the din of the share market, and are not bewildered with premiums. Here the nett value of the concern can be looked at; we see what money the Directors have actually received, how much they retain, and how the rest has been spent. There is also stated what the Company have set themselves to do, and the exact dimensions are specified of the small proportion of the work that has been accomplished. . . . . .

The mention of interest just above reminds us that, owing to an informality which invalidated the decision of the meeting on the 6th of June, the whole question is again re-opened whether the Directors would be justified in paying an interim dividend out of the interest account. It is an interesting question—one on which a good deal may be said on both sides. The interest appears to have arisen out of a fortuitous addition to the original capital of the Company. As the nature of the concern is better understood, the prospect of a return appears more distant than the most sober investors ever expected; and, in the present state of Bombay, even a small dividend would be thankfully received. On the other side it is to be remarked that there is no obligation on any public company to mitigate the sufferings which individuals have brought on themselves, and no public company is free to divert any portion of its funds from their prescribed purpose until its success is completely demonstrated—which is certainly not yet the case with regard to Back Bay. But the strongest argument against distributing the chance increment held by the Directors is to be drawn from the special character of the Company, and to which we have just referred above. The object of the Company is a distant, if not an uncertain one; and so long as that object is deemed feasible, its resources require to be carefully husbanded for the special purpose. Probably by the time this wonderful "electro-magnetic" light begins to illuminate the waters of Back Bay, there will be, besides, many other indications that a more rapid and effective stage of operations has been entered upon. And in proportion as the future prospects of the Company improve, the desire for a trifling interim dividend will diminish.—*July* 17, 1865.

III.—The power which shareholders of monetary institutions must leave in the hands of their agents and managers, is, as we have already pointed out, necessarily very full, and it is only at considerable intervals that it can be checked. The chief purpose of newspapers is to maintain the continuous force of public opinion; hence there is the best of reasons for the Press becoming the exponent of the just dissatisfaction of share-

holders. At the present time this becomes an imperative duty, and one as far removed from personal consideration as anything well can be; for the joint-stock principle is fairly liable to the objection that it will tend to the relaxation of a due feeling of responsibility. This society must not permit; and just men are bound to use every proper means to prevent the establishment of an indefinite and merely conventional standard of morality. The Law does not, and we trust never will, relax its maxims which define rectitude and faithfulness to trust. . . . . .

Our contemporary who ventured on a hesitating apology for quiet and speedy releases, found most difficulty in comprehending how it was that so great a number of well-known and respectable men could unite in doing what, if done by one singly, would be open to the gravest suspicions. The fact referred to is, by the way, a good illustration of the startling results which, at some stage or other, are sure to arise when the public sentiment has become flaccid or has lost its tone. Then it is that men will do in groups, and when countenanced by each other, what singly they would firmly refuse to do. If it were our business to find excuses for the doings which a soaring "Lark" has spied out, there is only one, or at most two pleas of any validity that can be named. First, it is very easy to suppose a great difference in the circumstances which induce several parties to join in one release. Besides the difference in amounts, there must often be a great difference in the kind and prospective value of the securities with the respective parties. If one bank had advanced ten lakhs on "Elphinstones," and another the same amount on "Alliance Financials" or "Frere Land," the relative position of each after the release was signed would be very different. This difference might prove the superior judgment or the luck of one manager over another; but when we consider how large a proportion of the deposited value even of Back Bay shares has proved a "flimsy" value, there is not much in this plea. It avails little in presence of the sweeping losses and subsequent releases that are now discussed. The apologist of the managers, whom we have quoted above, remarks that their "defence is not impaired by the daily increasing value of the securities which have been handed over by the lucky speculator." Well, let us suppose the most be made of that; does any one think it likely that the "securities," estimated at 19,64,000 rupees, against "liabilities" 42,95,000 rupees, will ever reach more than a saleable value of twenty-two or twenty-three lakhs? The fact still remains, that the practice complained of had grown to an extent which imperilled the savings and realised property of thousands of people, and lowered the general credit of Bombay, both in the eyes of the public at home and the native population here. . . . . .

This is a question which concerns managers, directors, and shareholders, in the order that we name them—for though shareholders are the real sufferers, we do not hold them free from all blame. They knew in a general way what was going on, and ought in many instances to have combined to obtain specific information. Yet their indifference does not in anywise diminish the responsibility of those who had undertaken the administration of the funds of others. As to the general question, however, we cannot add to what was said in these columns some two months ago. The particular instance referred to by "A Lark" to-day is equally applicable to the main point as was that of the "Lucky Speculator;" for, though the "release" in this *un*lucky case was by the open method of a short voyage in a deckless boat, yet a huge deficit remains, and shareholders are left in the lurch.—*Nov.* 3, 1865.

IV.—A "Financial Manager" freely states that he is a Manager of one of the institutions to which he thinks "A Lark" has referred in connection with a certain release from an enormous debt; but he asserts his willingness to submit his own conduct to the "severest tests of propriety and honour." Here, then, is one instance of the frequent cases to which we referred the other day, when the circumstances which induce part of the creditors to agree to a release may be quite different from those which influence the rest—and it may be the majority—to avoid any close scrutiny into the debtor's affairs. It should be remarked here, however, that our correspondent all through has his attention occupied with the question of releases and settlements. That is only the latter half of the subject under discussion; and though "A Lark" has chiefly drawn attention to that part of the matter, it has been our object to refer more to the commencement of the mischief. . . . . .

It may be as well to revert to that portion of a "Financial Manager's" letter which has a little more permanent interest than the rest. He urges that the proper course for "aggrieved shareholders" is to apply for information to Directors, and, we suppose, to make this application privately and singly. It could be wished, indeed, that there had been much more of such vigilance and individual firmness displayed in these matters some ten or twelve months ago; but it is drawing on our simplicity to believe that, if this inquiring spirit had then been displayed, it would have produced any practical fruit. The "aggrieved shareholder," if not a man of very stern countenance indeed, would have been sharply told to wait until the annual meeting, and, in the meantime, to mind his own business. The managers of joint-stock companies, and in this term we include the directors, are, during intervals of many months, independent of anything that shareholders can do or say. . . . With regard to some of the small financial companies, it is needless to refer to instances in which the inquiries of a few shareholders could only have taken the form of accusations, in support of which all the requisite evidence was in the keeping of the accused. With regard to the large banking institutions, the "investigations" of individual shareholders would have as much effect as private remonstrances would have on the Directors of the Great Western or Great Northern Railways at home. Even at annual or half-yearly meetings, shareholders are without the organisation that is needed in order to check the judicious prevision of the directors. So that the newspapers become almost the only, and certainly the most effective, medium through which, when needful, shareholders can enforce a feeling of responsibility on those to whom their property has been entrusted. It is not only in Bombay, but in Calcutta and also at home, that the working of the joint-stock principle requires to be carefully guarded from deterioration. In Bombay we deal in lakhs, and nothing less is worthy of notice here; but at home, where men struggle and toil with only paltry thousands at stake, there have often been strictures from the press on joint-stock management much more severe and with closer personal reference than anything we have written. A daily journal would be of little service if anxious to please everybody, and that at all times. We have no doubt those managers and directors, like our present correspondent, whose conduct will bear to be "submitted to the severest tests of propriety and honour," will eventually thank us for having stimulated the proper parties to apply those tests. When men have always done what is right and prudent in any special capacity, they are invulnerable to the criticism which drives some others of the same profession into the shade.—*Nov.* 6, 1865.

V.—The Directors of the Mazagon Land Company are, as it seems to us, thrown upon their defence in regard to one very important point connected with the call they have recently made. As might be expected, the shareholders are unwilling to pay the call just at present, and protest against the threat of forfeiture which is held over them as the alternative to non-payment. Pressed with complaints and demands for explanation, the Directors have issued a circular to the shareholders in which they set forth their justification for making a call during this time of severe depression. . . . . .

The present Directors will, no doubt, for their own sake be glad to further any inquiry that might exhibit the position of the Company when they accepted office. During the disappointment and indignation which obtain at present amongst the shareholders of more than half the joint-stock companies in Bombay, it is possible that their present Directors may receive somewhat hard measure. In the cases where these Directors have held office since the formation of the concern, the official acts should, of course, be thoroughly scrutinised; but it will answer no good end to make of recently elected Directors vicarious sufferers for the sins of their predecessors. The trouble and anxiety that they are likely to have, as in the case of the new Mazagon Directors, will probably for some time act as a sufficient deterrent from persons too lightly accepting responsibilities with the nature of which they are imperfectly acquainted. Having made these qualifications, however, we may remark that the present is a time in which Directors and Managers of all joint-stock companies may fairly expect that the course they have taken will be investigated by their constituents. It is, no doubt, very negligent of shareholders, who, in times of prosperity, leave their investments to chance, as if no laws had ever been passed for their guidance and protection; but if they will learn in no other

way, the prospect of calls instead of dividends will drive them to the study of the Joint Stock Companies' Act. Nor must Directors complain of this. It is an honour to be entrusted with the command of enormous sums—the aggregate savings of their neighbours—but that honour involves responsibilities with the true nature of which few persons in Bombay seem to have been acquainted. From all we hear about the promotion of the Mazagon Company, it seems that a proper investigation will show that responsibility, in the proper sense of the term, was one of the last things thought of by its early Directors. What was then done ought to be made known. What is the best course for the shareholders now is a different question.—*May* 15, 1866.

LONDON, NOT BOMBAY BANKING.

"THE Commercial Bank Corporation of India and the East" is mainly a Bombay institution; and it is in Bombay that the chief interest centres as to its history, present disasters, and possible future fortunes. This city has sinned very grievously in matters financial, but it seems a little hard on us that the suspension of the Commercial Bank—perhaps the heaviest blow that has yet fallen on Bombay—should have been brought about by circumstances with which the city at large has nothing to do. Losses that were inevitably brought on the Bank by the back-wave of speculation, and again by the fall in cotton, had for the nonce destroyed its profits and crippled its resources; but it was speculation in China and the recklessness of the agent there that caused the suspension of the Bank and the most serious embarrassment that has ever been felt in Bombay. It is excessively disappointing to find that the very foresight of the Commercial Bank's Bombay Manager has—through the stupidity of another agent in the far East—become the proximate cause of the Bank's overthrow. If the Manager here had not—in his prudential care for the security of this, the chief branch—obtained an unusual amount of cash from London, the drafts from China would have been met by the head office, and probably time enough would have remained in which to prepare for the crisis of severest pressure in Bombay. . . . . .

But amidst the anxiety and confusion of to-day, it is of little use to guess what may be the future course of the Bank after its present engagements are liquidated. Instead of pursuing such an unprofitable inquiry, it will be to better purpose if we recall some of the more prominent incidents in the history of the institution. The Commercial Bank Corporation is not a juvenile concern, of mushroom growth, but, being established in the year 1845, it may claim to have attained its majority. Its subscribed capital at starting was 50 lakhs (£500,000), and its direct operations were confined to Bombay. The London Joint Stock Bank was the agency for England, and certain mercantile firms acted as agents for the Corporation at Calcutta and in China. These arrangements are indicative of the character borne by the Bank during its early years. During the days of its infantile innocence the Corporation conducted itself modestly, never declared large dividends, and was regarded as decidedly dull and slow. Probably those deeply interested in the Commercial are just now in a mood to wish that it had always retained the unambitious characteristics of its early years. It must have been owing to some deviation from the sober maxims of its early directorate that the first misfortune of the Commercial Bank was brought about: this consisted of heavy losses consequent on the Bank's dealings with the Union Bank of Calcutta—a speculative and somewhat disreputable concern—together with the losses by merchants also ruined through the failure of the Union. This misfortune suffered by the Corporation sent down its shares to 25 per cent. discount; but the Directors promptly showed a disposition to meet the case. They bought up a considerable number of the depreciated shares, and then cancelled them, thereby reducing the capital of the Corporation from 50 lakhs to 37½ lakhs (£375,000). When the capital stood at this figure the Bank had invested largely in Government 4 per cent. paper at or about par. This stock was held to a great amount by the Corporation when Government issued the large 5 per cent. loan to provide funds for the Punjab war; and the old paper was depreciated to such an extent that the Bank lost all the reserve fund at that time accumulated. Some little time afterwards (about 1854) that reduction of the capital was reversed, and greatly to the profit of the Bank. Confidence having returned, and the times being prosperous, the Directors were able not only to re-issue the

shares formerly cancelled, but they sold them at 15 per cent. premium, the profit so gained being formed into a reserve fund; and the capital again stood at 50 lakhs.

On the Charter being obtained, the capital was increased to one million sterling—an extension very easily accomplished, seeing that some 10,000 shares were sold in London at 40 per cent. premium. About ten lakhs (£100,000) of profit was netted by this means, which, in addition to other 7 lakhs (£70,000) then accumulated, went to form a noble reserve fund. As remarked by Mr. Connon at the meeting in London: "It is not for the present board to say anything against the Commercial Bank of India—for they took over from that bank £73,000 reserve, £16,000 insurance fund, and £69,000 undivided balance," &c.

We have thus in our narrative brought the plodding concern of ancient Bombay to a splendid position of world-wide opportunity for the making of money; and taking account of that position as held by the Corporation in 1864, it may well be asked—why was not this position made one of impregnable stability? The investigations already commenced in London will, when completed, furnish a full, and possibly an instructive reply to this query. Some will consider that the weakest timber of the Commercial Bank was laid in 1863, when an agency was opened at San Francisco. But the intention in this step was reasonable enough; the object of stationing an agent in California being to secure for the Bank the lucrative advantages necessarily attendant on the purchase of bullion in San Francisco, where it is not wanted, and remitting it to China, where it is in great request. It appears it did not suit the tastes of the agent to stick to that simple but profitable business. His ingenious mind, in spite of the commonest maxims of banking—which, by the way, was not his business at all—led him to squander the funds of the company by advances on mining shares—quartz gold mining being, we suppose, with the exception of seeking for diamonds, the most precarious occupation under the sun. The California agent has managed to get rid of some £200,000 in a year or two; and "the inspector of agencies," to whom the San Francisco agent owed his appointment, had himself at Shanghai sown the funds of the Corporation broadcast. In Bombay, the Bank had its losses last year along with the rest, though, as Mr. Angus comforted the London shareholders by remarking, "the position of the Bank at Bombay presented a favourable contrast with other banking establishments *there*." Alas for the comparison! the public at home have as yet no adequate conception of what is the "position" of some "other banks in Bombay."

The faults of the management of the Commercial are only those of the present day—a random selection of responsible agents—a disregard of the decencies of commercial character in the choice made—a lavish expenditure on incidental items and show—and, above all, the utter neglect of a habit and system of rigorous, frequent, and periodical supervision. In short, the monetary and general joint stock business of the present day appears to be conducted on a principle exactly the reverse of the homely proverb—

> "He that by the plough would thrive,
> Must either hold himself or drive."

If shareholders do not vigilantly watch the disposition of their capital, they will find that those who exclusively undertake that duty for them must ever and anon remunerate themselves or squander the funds at a ruinous rate.—*May* 28, 1866.

II.—In connection with the stoppage of the Agra and Masterman's Bank, various statements have appeared in some home papers, tending to the inference that the final blow which overthrew the Bank came from India. We fear the Directors at the head office have not been so careful as they should have been to prevent this misapprehension obtaining credence. It was known as a fact, well established on general grounds, that the Indian portion of the Agra Bank was all but impregnable; and, on the other hand, as we have recently pointed out in reviewing the general management of the company, there has for long been tangible evidence that the European directorate has been treading in unsafe paths. On this account, perhaps, it might not be unwelcome to the head office to see absurd rumours in the newspapers about "lying telegrams" to India or unexpected demands from India having had a fatal effect on the reeling fabric at home. Thus we find in the *Bankers' Magazine* for July the following circumstantial statement:—"A

lying telegram had been sent [from London] to Calcutta [no date stated] announcing that the Bank had failed, and this . . . produced a run which the local resources could not stand. The Managers telegraphed for assistance, which the Directors, fighting gallantly against heavy odds, were unable to give. Suspension *had* become inevitable." Yes, suspension was inevitable; not because of anything as connected with India, but because of the improper position and the reputation of the head office. . . . . .

With regard to Bombay, it is well known that, while every confidence was felt in this branch as such, a feeling of uneasiness arose some weeks before the stoppage, but which was generated entirely in London, and needed no lying telegrams to account for it. The first difficulty felt by the Bombay Branch was a direct consequence of that uneasiness; but it was foreseen by the Manager here, who, as a measure of ordinary precaution, telegraphed to London about May 28th to mention that, though "easy for a time," he should shortly require assistance. . . . . .

The Bombay Branch of the Agra Bank could without difficulty have met all claims upon it. Except a small balance of a little over four lakhs, all its floating deposits were paid off over its counter before the fiat from London closed its doors. As the *Bankers' Magazine* says: "Had the Agra remained as it was, an Indian bank with a London office, but doing much of its business through London bankers, it would have been standing now." We have in previous articles pointed out various considerations that support this view, and nothing can be plainer than that the Agra's failure was entirely a European one, and that, if anything could have saved it, an accurate knowledge of the strength and resources of its Indian branches would have supplied that confidence in its stability for lack of which it fell. As a general proof of this view, we may refer to the statement of Mr. Cannan, the accountant, quoted in the letter of our London Correspondent. From that it appears the London losses were twice the amount of those at the branches, though these included the French deficiencies; and while in the total account of assets and liabilities there was a total surplus from branches of £1,279,084, there was a deficit of £128,480 at the London office. Of that surplus we have no doubt the Bombay Branch could show a large proportion.—*July* 30, 1866.

AN IMPROVISED BANKRUPTCY ACT.

AMONGST the various salutary functions conferred on our Municipal Commissioner is a very extensive and arbitrary power of whitewashing. It was hoped that great sanitary benefit would accrue to our crowded city from the free application of this facile method of superficial purification, and it is admitted that the municipal regulations for this purpose "have worked well"—a test which always satisfies an Englishman as to the wisdom of any or every legal provision. By a similar test, however, we find that another new purifying regulation in Bombay is coming into great disrepute. Though intended by its original framers for a different purpose, its provisions have been so perverted as to make of it a self-acting organization for the promotion of another kind of "whitewashing," the moral and commercial effects of which are likely to be as mischievous as those of Mr. Crawford's brush are satisfactory. We allude, of course, to the very familiar Act XXVIII. of 1865, which was passed in order "to provide for the more speedy liquidation of insolvent *traders'* estates in Bombay," but which is being largely used to enable ruined and heretofore reckless *speculators* to wipe off all record of the steps by which they arrived at insolvency, and, having done that, to help them to take their place again in the ranks of prudent and honest men. The Act itself may not be so much to blame for this, and if fairly worked may be made available for the honest purpose for which it was designed; but in the present circumstances of Bombay it is evident that the Act offers extraordinary facilities for unprincipled insolvents misrepresenting the state of their affairs, and practically defrauding their *bonâ fide* creditors to a serious extent. In an ordinary state of society these evils might not have followed from the working of the Act; but when, as now in Bombay, the claims of commercial morality are very feebly felt and the sense of pecuniary responsibility has suffered eclipse, the class of insolvents to whom we allude can find ready assistance in turning some provisions of the Act to very unwarrantable purposes. . . . . .

As we have said, the Chairman of the creditors' meeting is the pivot on which the

whole proceedings in liquidation must turn. He has the power "to determine the right of others present to vote;" he "reports the resolutions adopted by such meeting to the Court;" and he alone has authority to file these resolutions in the Prothonotary's office, and to advertise them in the *Government Gazette* and other papers, all "necessary expenses incurred by his authority," and of which he is the sole judge, being "payable by the trustees out of the estate." . . . Unfortunately, the Act omits to provide any particular method for the election of this non-official Commissioner in insolvency. He may be pitched upon at random; or, as is more usually the case, the careful previous selection of him by the insolvent himself is the most essential step in that system of packing and imposition at creditors' meetings which is fast making of Act XXVIII. a by-word in Bombay, and of which a striking instance is reported in another column. The election of the Chairman being accomplished, and he alone having the power to decide who are and who are not entitled to vote, as also to receive or reject any proxies that may be tendered, everything generally goes smoothly along to the conclusions arranged beforehand between the insolvent and some of his least reputable and perhaps merely constructive creditors. The Act permits a simple majority "in number and unsecured value of the creditors present" to resolve on the all-important point whether the estate shall be wound up by trustees under the Act or not; though, by way of contrast, it may be named that the English Bankruptcy Act of 1861 ordains that similar resolutions shall only be valid if carried by three-fourths of all the creditors both in number and value. . . . . .

The mischievous and misleading effect of this false start with an insolvent's accounts must be evident when it is observed that the Act provides no opportunity for subsequent checking of the accounts by the creditors, except in Sec. 21, where the trustees are required to file half-yearly statements in the Prothonotary's office, which are then to be open to the inspection of curious creditors. This is very inadequate even as compared with the ordinary practice of the Insolvency Court, where creditors have at all times free access to the accounts, and they are far more likely persons to detect fraudulent entries than are trustees under this Act. Again, Sec. 11 ordains that if in course of liquidation it is discovered that the insolvent has "cooked" his accounts, burnt his books, or otherwise acted fraudulently, the trustees are "to report the same to the Court," so that the offender may be arrested and imprisoned. As a practical test of the working of the Act in the present commercially demoralised state of Bombay, we may ask, is it in the least degree likely that trustees appointed in the way they are now chosen will do such a public service as to carry out this section of the Act? It is difficult enough at home to obtain trustees for insolvent estates, with character and ability enough to work them impartially. Here in Bombay, where a large proportion of liquidators are, or ought to be, undergoing liquidation themselves, it would be absurd to expect that the Act can be administered with that firmness and faithfulness that its promoters calculated upon when they sought to supersede the slow Insolvency Court and to save the time of the Judges. Those who are cognisant of what passes at these insolvency meetings know that we have given only an inadequate description of the evils that are prevailing. There is most urgent need for the Executive at once to suspend the operation of Act XXVIII., if, fortunately, that power is reserved to the Bombay Government. We feel satisfied that no practical inconvenience would in consequence arise in the working of the Insolvency Court, and that by its suspension an effectual check would be given to practices that are seriously deteriorating the already enervated commercial morality of Bombay. The Act only has a tenure of existence until September, 1867; but, at the present rate, it bids fair to have provided long before that time for the whitewashing of all the duskiest "insolvent traders" in Bombay of every race and creed.—*Aug.* 1, 1866.

A GOOD RIDDANCE.

TO-DAY Bombay takes leave of a very conspicuous and troublesome acquaintance—not an old friend, for it is a very modern invention—we mean Act XXVIII. of 1865, on which all honest men will feel great satisfaction in bestowing a parting kick. But here let us remark, we would not say a word to wound the feelings of any who have involuntarily become connected with the operations of that statute. Undoubtedly there have been some honest but unfortunate men who, acting under advice, have submitted to its operations, and

there have been some men, even amongst its corps of liquidators, who have striven to act firmly and fairly by all parties concerned. It is the Act itself which we denounce and dismiss, as one of the most unfortunate and mischievous morsels of amateur and exceptional legislation that India has witnessed for many a year. The complicated blunders comprised in its enactment were recognised as soon as it came into practical operation; but, with most reprehensible weakness, the Local Government and the High Court refused to make the slightest attempt to suspend the Act; or, if they did, the Supreme Government, with cynical indifference to the interests of social and commercial morality, declined to help Bombay out of the pit which a few of its prominent citizens had digged for it. . . . In this respect Act XXVIII., and the grotesque history of its brief and unhonoured sway, may have performed the sorry service of constituting a beacon which must leave without excuse all future Indian legislators, amateurs, and others, who may say to themselves, "Go to, let us make a bran-new Bankruptcy Act, and show those English law-makers that we know how to deliver creditors and save assets out of the grasp of attorneys."

We would fain say of this mischievous Act, Peace to its *manes;* but there is not yet room for such a valediction. More than sixty estates, representing an amount of indebtedness that we dare not compute, which this statute has removed from the direct cognisance of the Courts, still drag along in the hands of administrators who, though practically irresponsible, hold an immense amount of property under their control. . . . But we were scarcely prepared to find such a bold assertion on behalf of the Act as that "the progress made (under it) is at railway pace compared with that sink of waste and delay, the Insolvent Court, and its adjunct, the office of the Official Assignee." It is sufficient to ask, how many estates have been finished off by those tribunals, even under their unreformed state, whilst Act XXVIII. has disposed of *two* only? A strong Government and a vigorous Justiciary would have reformed "that sink of waste and delay" very speedily, instead of permitting a resort to the weak expedient of devising a useless and injurious statute. But it ought to be known that the said tribunals, or those connected with them, were stronger than the Local Government and the Bench together, insomuch that it was in deference to the occult influence of the "sink of waste and delay" that the Act which is now dismissed with ignominy was made as bad and as inefficient as it possibly could be framed.—*Sept.* 30, 1867.

SAINT ANDREW'S DAY, 1866.

SAINT ANDREW'S DINNER is now, we suppose, to be set down as one of the institutions of Bombay, and if the report which appears in our columns of the proceedings on Friday night last does not do justice to it, we cannot be expected to succeed here in rendering it famous. It is our duty simply to chronicle the event, and to speak of those principal incidents in connection with it which Scotchmen may be glad to remember. There can be no question that the Chairman, the Hon. Mr. A. J. Hunter, well performed his really arduous duties. It is anything but a holiday amusement to have to make half-a-dozen or more speeches in the course of an evening, all appropriate to the point in hand; while it is a physical feat of no small mark for any one standing where the Chairman did—beneath the statue of Mountstuart Elphinstone—to make himself heard over our crowded and be-tapestried Town Hall, a building which is contrived with the intent of deadening and not transmitting sounds. Mr. Hunter in his speech—the one in proposing "The pious memory of St. Andrew"—gave hearty and intelligent expression to those fraternal and national feelings which ever form the bond of friendship and unity amongst Scotchmen when meeting together on this their festival day. In thus speaking of the better and higher aspects of this convivial gathering, the Chairman, we feel sure, spoke on behalf of the croupier and all responsible promoters of the banquet; if a few individuals on these occasions do forget the habitual gravity of their race, that must not be placed to the account of St. Andrew and his more circumspect adherents. In adopting the toast, "The memory of Wallace and Bruce," the sentiment of nationality was perhaps a little overstrained for these days of the remorseless school of historians; but the learned gentleman who was compelled to stray on Tytler's ground whilst striving to support the fame of those ancient heroes, fought through

his task with a bravery and perseverance worthy of Bruce and—of a better cause. Of the other national toasts, "The Literature of Scotland" is the one which suggests the most cosmopolitan and enduring thoughts. It was spoken to by Mr. J. M. Maclean with excellent effect, in spite of some tumult around him, and an atmosphere which was certainly very different from that of "Dryburgh's cooling shade." We need give no higher praise to Mr. Maclean's speech than is implied in referring all our readers to the report of it, which will, we doubt not, be duly conned and thoroughly appreciated.

The absence of Sir Bartle Frere was a great drawback from the meeting; but he proved his good-will by taking pains to write an excellent letter to the Chairman that was read to the meeting, and in which "the Scotch artisans and mechanics" as well as "our Macintoshes and Malcolms" were duly remembered. The Commander-in-Chief, Sir Robert Napier, the most prominent public guest, gave a good soldierly address in response to the toast of "The Army and Navy," and was well received on this, the first, occasion of his appearing at a public dinner since his accession to his present post. The account of his introduction to the Bombay Army without one officer on the Staff, and the subsequent rout of ten or twelve thousand of Tantia Topee's men by the charge of five hundred, formed one of those striking episodes which always arouse enthusiasm when told by an actor in the scene, as was Sir Robert; though, as he modestly averred, he had nothing to do but give the order.

Of the miscellaneous speeches, the one in toasting "The Press" was not the least notable, and was worthy of a place at an earlier hour than that allotted to it, when it would have been more fairly heard. . . . The proposer did not make the usual mistake of after-dinner speakers in giving way to indiscriminate eulogy; and, indeed, so far as we could gather the tenor of his remarks at the time, it seemed to us that he would have been well fitted for the post of censor of the press, if his lot had been cast in the times before it was discovered that the press is the only effectual law to itself. . . . Mr. G. M. Stewart, in responding for "The Merchants," proposed by Mr. A. R. Scoble, spoke in a hopeful spirit of the commercial prospects of Bombay, and in a tone that seemed to give some promise that "healthy prosperity," as he said, may return before long to our humbled community. . . .

We believe that Sydney Smith was the author of the calumny that "nothing short of a surgical operation could get a joke into the head of a Scotchman." It is very clear that the reverend canon and joker was never a guest at a St. Andrew's dinner. The other evening the mere hint of a joke was sufficient to evoke consuming laughter, and there was certainly no lack of hilarity. Let us hope that when next St. Andrew's memory is so honoured, "the feast of reason" may be in still greater proportion to "the flow of soul" than it was on this occasion.—*Dec.* 3, 1866.

THE BANK OF BOMBAY:

ITS STRUGGLES, FALL, AND RECONSTRUCTION.

THE annual general meeting of the Bank Proprietors on Monday last has not attracted much attention amongst the public. . . . The report in these circumstances was quite of secondary significance; the real importance of the meeting centres round the very clever and ingenious speech made by Mr. Hannay, the Chairman, but which he, with becoming modesty, styles "a few remarks upon the management of the Bank, before and during the very trying period through which we have just passed." In this remarkably artistic address, even that word "before" has its use, for Mr. Hannay has not failed to use as shadows in his pictures those slow "good old times" before 1856, when "three lakhs was the limit of personal security." As the Chairman gaily reminded the admiring shareholders, those were the days when the Bank did "very little good," when "Bombay was a very different place" from that emporium of wealth in which we now live. The sleepy directors of those times used to pay 5½ per cent., and, what is more, the shareholders were "content." Now, including the present blank half-year, the average dividend is 12½; therefore, in effect, the Chairman asks, are not these times of noble dividends better than those dull days of which the best that can be said is, the Bank did "no harm"? Thus Mr. Hannay's speech derives its telling effect from the wide historical sweep in which he indulges; and it must be admitted, that in

averaging the dividends since 1857 there is an appearance of fairness. Yet it must have occurred to the shareholders, as soon as they emerged from under the influence of Mr. Hannay's well-arranged sentences, that the question before the meeting that day was not as to the constitution and general principles of the Bank, but simply—had the management of the past half-year been judicious?

The Chairman was quite aware of this, but he preferred not to grasp his nettle too quickly. The historical retrospect was continued to a very recent period, including a warm eulogy on the late Chairman, the departed Mr. Birch, who, it must be admitted, gave unmistakable proof of meriting Mr. Hannay's praise as "the ablest financier it had ever been his good fortune to meet in India." Mr. Hannay might have added, "or anywhere else;" for, if reports be correct, Mr. Birch proved his ability, in knowing when to leave off, and his foresight, in retiring from Bombay with a secured fortune, rivalling in amount those of the nabobs in the old days of the Company. This, of course, entitles Mr. Birch to the praise which men readily accord to those who do well to themselves; but the only evidence of Mr. Birch's influence on the prosperity of the Bank that Mr. Hannay vouchsafed was, that "under him" the practice of investing in Government securities was discontinued. . . . At this part of the speech there are "breakers ahead;" and after Mr. Hannay's quiet remark, that "greater latitude was given to the Secretary," he at last plunges into the seething foam, thus: "In 1864, when Bombay was in the hey-day of prosperity, loans were granted to the then considered good men with a *free hand*." Yes; but 1864 was some three years *after* the time when Mr. Cowasjee Jehangir's proposal was made; and not only were the circumstances of the community quite different, but the Bank Directors had taken into their confidence another and, as they thought, probably a more "sagacious" adviser. . . . . .

Here we may mention, what seems to us, the fallacy underlying Mr. Hannay's speech and the middle sentence of the eighth para. of the Report. It seems to have been overlooked that so much in business matters depends on *degree*. It is not sufficient to show that the principles on which the Bank worked were sound, or that its plans of management were sagacious; but the test is, were the obvious limits of prudence observed in given circumstances? Mr. Hannay had imposed upon himself no light task; it was that of showing that the difference between no dividend this year and one of 16 per cent. last year was due to unavoidable circumstances. This, it appears, is the chief circumstance that the Directors had to contend with in the early part of this year: "the applications for discounts and loans were enormous." How does the Chairman say this was met? He says that, "with a view to check this, the Bank rate was raised, week after week." Here we think that any shareholder might very fairly have urged that this was not the best method to take; it is indiscriminate, and, as the result has shown, is ineffectual. It is an expedient which may suit for ordinary times, and one that immediately affects legitimate commerce, but is wholly inoperative to check reckless speculators. The Chairman very properly protests against the criticisms of those who are wise after the event; but we claim exemption from that category, having urged this view months ago. A high rate of interest would check the applications from the "purchasers of produce," of whom Mr. Hannay is careful to assure us the bulk of the Bank debtors *then* consisted; but we imagine that, even at that period, a large proportion of the "produce" was the produce of the fertile brains of "promoters." It was the easiest thing that could be, for the Directors to resolve that the rate of interest shall be advanced all round; but it was the most difficult thing for them to exert keen discrimination and firm moral courage, as must be done when they say, "this application must be reduced by one-half, and that man, or that financial, shall not have any at all." It is this direct, personal, and practical course which really tests the manager of a bank. . . . . .

The Chairman next volunteers a chivalrous defence of Mr. Premchund Roychund, or rather of the Directors, against the allegation that the great broker has been the Director-General of the Bank. The defence is, that for ten years past his advice has been sought by the Directors, and also by every "bank manager in the place." Such a line of defence—another of the dexterous touches of the report—carries its own condemnation with it, though the Bank Directors form only one group of the crowd of offenders. Would the bankers of Calcutta or Madras have joined in such universal dependence on the judgment of one man? We think not. It is not only contrary to common sense, that a man without any special business training should have had the requisite talent for

such a position, but it is also contrary to any ordinary estimate of human nature that such an absurdly exaggerated influence as the followers of Mr. Premchund have thrust upon him, should not have been abused. . . . The skilful arrangement, and somewhat too vindicatory style of Mr. Hannay's address, must be penetrated through by any careful observer who may desire to store up the few ears of sound instruction which may be gleaned from the history of our speculation and panic. The Directors estimate that the losses of the half-year will not exceed thirty lakhs; but in reference to this estimate it seems safest to repeat the Hon. Mr. Foggo's laconic remark, when "he hoped the Chairman's anticipations would be realised."—*Aug.* 11, 1865.

II.—The small measure of amendment in the Bank of Bombay's Charter forced on the Directors by the Government of India has been passed by the local Legislative Council pretty much in the shape in which it was first introduced, for an important amendment proposed by the Hon'ble Mr. Hunter was lost by a majority of two votes. The object of the Bill is to deprive the Bank of the liberty formerly permitted, and so terribly abused, of allowing advances to be made on the shares of Joint Stock Companies. Mr. Hunter having,—as indeed all Bombay has,—a lively sense of the mischief and ruin that have been caused by the system of "granting loans with a free hand," and without restriction as to amount, proposed to supplement and improve the Government Bill by adding a clause to restrict the amount loaned to any one person or firm on personal security to three lakhs of rupees, the proposition being afterwards modified by an extension of the amount to five lakhs (£50,000).

This clause, it appears, was courteously submitted by Government to the present Directors for their opinion. Their reply was read at the meeting of Council held on Monday last, and served to open the discussion on the subject. The Directors in their letter say, they "are strongly of opinion that the amendment proposed by Mr. Hunter will operate most seriously against the interests of the shareholders." They consider that "questions such as are referred to in the amendment should be left entirely to the discretion of the Directors, and that in such matters they should be wholly unfettered." This is certainly a frank and modest proposition to come from a Bank that, in the exercise of an unfettered discretion in dealing with the money placed at its disposal, contrived in less than two years' time to lose nearly a crore of rupees! The present Directors are not responsible for these losses; but they are not yet in a position to claim unlimited confidence either from the Government or the public, and it would certainly have conduced more to confidence on all sides if the Directors had refrained from an assumption of dignity that in the circumstances by no means becomes them, and still more suitable would it have been had they favoured the public with something in the shape of a reason for the "opinion" they so "strongly" hold, and so curtly express. . . . . .

We regret to observe that His Excellency the Governor threw the weight of his well-earned influence and authority into the scale against Mr. Hunter's amendment. . . As regards mercantile firms, His Excellency need be under no apprehension of any in Bombay going hat in hand begging for accommodation. When the Bank had exhausted the five lakhs limit, it would have had but very indifferent reasons for going to Government to beg for permission to make further advances. If the restriction of limit were left out of the Act under the apprehension that the Bank might be tempted to evade and commit a breach of its provisions, because it did not like to go up to Government for power to do so, we must say the reason was singularly weak and certainly not entitled to much consideration. The special case put by Sir Bartle Frere as a crucial test of the operation of a limit imposed on the Directors by the Charter, is one that admits of a conclusive reply. He supposes the case of a native merchant who had so overreached himself by engaging in extensive transactions in cotton (why not in shares?) that he could go to the Bank and solicit assistance beyond the limit imposed, and in making his application could so couple it with the threat or warning that, if his huge demand was not complied with, his insolvency would pull down several other banks and firms—all debtors to the Bank—and thus bring ruin on the city. We can only say in reply, that no man has a right to place himself in such a position. Still more emphatically would we assert that if any suitable method can be taken beforehand to save the Bank from being placed at the mercy of so imprudent or reckless a speculator, that precaution ought to be taken and the inducement afforded by a possibility of the Bank acceding to such a request,

ought to be placed beyond the reach of a speculator's calculations. The Bank of the Presidency was never intended to subserve any such purpose; it is the coffer of the State, the bank of deposit for trustees and other non-traders; it is the one monetary institution which ought to stand as a rock amidst the fiercest commercial excitement. As to the interest of the shareholders, they might well afford to dispense with an excessive rate of dividend; but as a class, they can least of any other afford to live in terror of losing their principal. Therefore, "in the interest of the shareholders," respecting which the Directors are very properly solicitous, it would appear that the supposititious case put by His Excellency before the Council is one from the possibility of which the Bank of Bombay ought to be fortified if legislation could do that.—*Sept.* 8, 1866.

III.—On Monday evening the Directors of the Bank of Bombay applied for, and the Executive Government granted, that guarantee to the depositors which, in our paper of that morning, we had said would be needed so soon as the Directors felt any uncertainty as to the ability of the Bank to meet "all immediate claims upon it." Bombay has, by this interposition, been saved from the extreme financial humiliation which must have befallen the city had our State Bank declared itself unable to meet the current demands upon it. There is now breathing time allowed to the commercial community, and fair opportunity given to consider what is the best course to pursue. Though the Government promise to "support the Bank to the full extent of their available resources from the present date to the termination of the renewed agreement," it is very evident that the matter cannot stop where it is. The present depositors—who own the smaller and fixed deposits—will, indeed, feel at once assured, and there is quite sufficient even in the qualified promise of Government to warrant the large depositors taking back their funds to the Bank, if they see fit to do so. But something more than security will be thought of now, for that has been obtained only by the extraordinary and exceptional step taken by Government; and the bankers and independent merchants of the city may fairly consider, whether self-respect and a due sense of business propriety will accord with their dragging on for a twelvemonth under the present provisional and indefinite arrangement. . . . . .

It is probable that the long-strained confidence of business men and the forbearance of the banks finally gave way when the publication of the weekly return dated February 16th—wherein the formal reduction of capital was first expressed in figures—called attention to the essential weakness of the Bank. This matter-of-fact consideration, in conjunction with the sudden closing of branches and other temporary causes, led to the withdrawal of deposits in one week, to the extent, as we see from the current return, of one crore and seven lakhs. Depositors who took trouble enough to compare and scrutinise the few items which the Bank's returns supply, have been driven to the conclusion that not only is the whole of the Bank's capital locked up, but that a considerable portion of the deposits are unavailable; and there are strict accountants who believe that not only is the whole capital of the Bank irretrievably lost, but a portion of the deposits also. That such an opinion can be entertained at all, must be attributed to the persistent reticence of the Board in declining to state the extent, and describe the character of the securities they hold. In the absence of such statement, those who have only the weekly returns to guide them—together with the ominous report from Mr. Stuart, the Treasurer of the Bank—made their calculations without reference to the securities that the Bank may hold, which have thus come to be regarded as merely so much "flotsam and jetsam." . . . . .

It has been evident for several months past to all impartial persons that nothing can be done to rescue the Bank until a complete separation from the affairs of 1864-5 shall be effected. In October last a letter written by Mr. S. Shapoorjee appeared in our columns, which probably the Directors thought somewhat extreme then, but which it is now evident embodied only the sober truth. We make one quotation from that letter, which will, perhaps, command readier acceptance to-day than it did at the time it was written:—

> To hope for the return of high values for properties throughout Bombay within the next few years is, in my opinion, a mere delusion; and I must say I deeply regret to observe that the Government, by their latest minute on the Bank of Bombay, have given colour to these false hopes. Nothing could be more ill-judged; for even in the few weeks which have elapsed since the audit committee revised the estimate made by the Directors, values have been *still further depressed.*

The last remark might now be repeated with emphasis; and if it be yet possible to extricate a small portion of cash to recommence with, the sooner reconstruction is undertaken the better. The step that the Government has at last taken cannot be retraced, and the next must be to collect some fresh capital for a new Bank having all the rights and privileges just conferred upon the old one, which will then have to be put under some economical arrangement for liquidation. Of course, some of the present Board might be Directors of the new Bank. And here, in passing, let us remark that the present Directors deserve credit for the strenuous exertions they have made to right their barque. Had they been willing to seek for impartial counsel, some of those exertions might have been better spent; but they have done their best in a struggle that was hopeless, and they may now surrender with a good grace. Whatever objections may be raised to the course we have indicated, there can be no possible escape from such a result, sooner or later; and if the measure be undertaken at once, in an open, business-like manner, it is very probable that it will cause a revival of confidence throughout the community.—*Feb.* 27, 1867.

FIRST PROPOSALS FOR AMALGAMATION WITH BANK OF BENGAL.

IV.—No resolution respecting the proposed amalgamation of the Bombay and Bengal Banks was proposed at the Proprietors' Meeting yesterday. The prolonged conversation which took place between the Directors and the few shareholders present was useful in explaining the position in which the Board stands with regard to the Calcutta proposal. As the Chairman stated, it simply amounts to this—the Directors are unanimously of opinion that the proposed amalgamation is feasible, and that, subject to the modifications specified in their last letter to Bengal (April 4th), and dependent on certain adjustments in detail to be settled with Mr. Dickson personally, it is most conducive to the interests of the shareholders. The Directors are necessarily committed to their own proposals, and must meet Mr. Dickson on that footing. But, at the meeting yesterday, they were formally made aware that there is a strong feeling amongst the shareholders not only against the scheme of amalgamation, but in favour of a definite and prompt movement towards reconstruction of the Bank. . . . The Chairman said the Board was not sanguine enough to think capital could be raised in Bombay sufficient to insure the retention of the Government business. Many people think the contrary; so let the Directors put the matter to the test. This might be done in a week. Let a circular be sent round to all resident shareholders, asking them to say what number of shares they will take up in a new Bank of Bombay at Rs. 500 each—half of that sum to be paid on June or July 1st, the residue being secured by the deposit of the old share as representing the present assets of the Bank. . . . . .

We are at a loss to conceive what one of the Directors could have been thinking of when he intimated that the Board was almost afraid to trouble the Government any further. As Colonel Marriott said, the Executive, both as a director and as the largest shareholder, is alike responsible and interested in the best course being taken for the interests of the Bank, to say nothing of the community of Bombay. Tenfold more than any other party in the matter is the Government of Bombay accountable for the disasters which have impoverished the shareholders of the Bank, and by so much more is it under obligation to assist in the reconstruction of a new Bank, between which and the present one there shall be a great gulf fixed. A correspondent of ours, whose letter appeared on Saturday, signed a "Victim of Government," and who had invested a lakh of rupees in the Bank wholly because of his faith in the Government guardianship of his interests, is but one of thousands who have grievously suffered by the *laches* of the Executive in regard to its responsibility in this matter, and it will never do at this time of day to be told that Government is weary of attending to the conditions of its grossly neglected trust deed. A passage in the Directors' letter of April 4th may serve to suggest a practical point to the question—what can Government do in the matter? The Secretary of the Bank writes: "My Directors believe that arrangements may be entered into with this Government by which the proposed advance of 65 lakhs (previously required from the Bank of Bengal) may be reduced to about 17." Now, whatever this means, it clearly implies that the Local Government is already prepared to give some direct assistance in the way of advancing capital towards the amalgamated Bank. It will therefore do the

same, and—if it be properly applied to—a good deal more, towards the erection of a new Bank of Bombay. We trust that this broad hint revealed by the correspondence will be duly acted upon; and if but half-a-dozen of our leading citizens, native as well as European, form themselves into a committee to confer with the Bank Directors and the Government, something practical will speedily be done. Judging also from the excellent spirit displayed at the table yesterday, we cannot think that the Board will do anything to impede a movement which promises a far more satisfactory solution of our trouble than does the amalgamation scheme. There is now also an excellent opportunity for our new Governor to build for himself a durable monument, by aiding in the reconstruction of a new Bank of Bombay in place of the old one, which has crumbled into ruin beneath the nerveless hand of his predecessor.—*April* 17, 1867.

V.—The vote at the meeting of Bank Proprietors on Tuesday will, we presume, be considered to close all discussion for the present. . . . We have been accused of raising "an opposition of no very scrupulous character," because we have "over and over again audaciously asserted, in order to mislead public opinion," that the Directors have not throughout been of one mind in thinking amalgamation to Bengal better than reconstruction in Bombay. In triumphant refutation of our "audacious assertion," we are pointed to the fact that the Directors present all voted on Tuesday in favour of the Bengal scheme. Our contemporary perhaps does not understand that the vote of a minority might be given in deference to the wishes of more urgent colleagues; and that, while amalgamation is opposed to the better judgment of this minority, the claims of expediency and the accidents of their position might weigh with them in supporting their colleagues who had committed themselves in advance to Mr. Dickson. The lack of personal independence—a quality always scarce in Bombay—may also have had a good deal to do with the vacillation displayed by some of the Board; and to that must in part be attributed the outward show of unanimity displayed by the Directors in opposing the proposition for a new Bank, though that was supported by a majority of the shareholders. Of the 137 votes (proxies included) given in favour of amalgamation, 98 of them were given in by the Directors themselves; so that, taking shareholders' votes alone, there was a majority of 95 in favour of reconstruction.

The present difficult position of things presents a case for some special method of inquiry and conference between the shareholders and the Government. This was attempted through the former Shareholders' Committee, but the action of that body, as we have remarked above, was stifled by the passive opposition of the Directors. Some other committee will now have to be formed, as proposed in Mr. Macdonald's resolution, but it need not be confined to shareholders. It ought to include some of those who have applied for allotments in the new Bank, so that the community may be fairly represented, and action can be taken untrammelled by the Directors; though at least two of the present Board might consistently enough lend their aid in the deliberations of such a general committee. If such a free and independent body were at once drawn together, its members would be ready with some definite plan of action before the Bank proprietors are again called to vote, or in the event of the Board acknowledging that they cannot carry through the negotiations with Bengal. It will doubtless conduce to the future peace of the Bombay Government itself if such assistance as it is at liberty to give were granted to this new committee, which, we presume, will shortly be appointed. The retrospective inquiry that is threatened on behalf of several influential shareholders may prove anything but pleasant for the past and present Government of Bombay, and it would probably be the most prudent and every way expedient course for the Executive to give what support is in its power to some practical plan for reconstruction. That may be readily carried through without the scandal which might be raised during the protracted discussions and references inseparable from the carrying out of any scheme for amalgamation.—*June* 6, 1867.

VI.—Now that the Local Government has virtually put its veto upon the ill-advised scheme for Bank amalgamation, it is to be hoped that there will be tolerable unanimity amongst all those whose efforts are available towards the establishment of a new Presidency Bank. The efforts that have already been made towards this end have been the

reverse of a "miserable failure," when it is considered that subscriptions for many shares in the new Bank have been offered, in spite of the passive opposition of the Directors, and the cold and reprehensible neglect of the Local Government. Some thousands of shares were applied for under these discouraging circumstances, and the applicants have the satisfaction of feeling that they did their duty then, and also of knowing that they have secured precedence on the list of proprietors of a new Bank of Bombay. Whilst the Directors of the present Bank are busy extricating themselves from the consequences of the mistaken step they took in committing themselves without reserve to Mr. Dickson's proposals, we would recommend other investors to register their applications for shares in the new Bank. . . . As to the somewhat exacting terms that had been named by the Government of India with regard to the large proportion of paid-up capital, there can be little fear but that requirement might be abated on the circumstances being fully explained. Supposing 100 lakhs could easily be obtained before next March, wholly irrespective of the assets of the old Bank—the shareholders in which are entitled to every consideration—it would be financially a serious error to start the Bank with more capital than it could be certain of using profitably. The Government of India is properly anxious for the perfect safety of its deposits, but that end is to be accomplished by more direct and appropriate means than stipulating that the Bank shall have an undue amount of capital. No doubt this and all other difficulties can be speedily arranged when a united good-will is shown towards the establishment of a strong local Bank, which will be bound to attend to its proper business, and that only.—*July* 6, 1867.

VII.—The financial atmosphere of Bombay is becoming clearer, and the prospect of unanimity in an effort towards the establishment of a new Bank of Bombay is like a bright streak in the commercial firmament. With the aid of the old Bank, Bombay fell; with the help of the new one, it will arise again from its present depression; but time and much labour must be bestowed on this undertaking. The announcement that the Bengal Board had applied to the Government of India for leave to establish a branch of their Bank here, and their refusal to allow an independent audit of its affairs by any one representing the Bank of Bombay, are the last nails in the coffin of the amalgamation scheme. Bombay has made many and grievous mistakes in finance; but, happily, she has been saved from crowning them all by a public confession of incapacity, and by an abdication of those financial functions which must form an essential portion of her own commercial organisation. All this would have been involved in the subordination of Bombay local banking to a Bengal Board; and we trust the meeting to-morrow will clear the way for the adoption, by all concerned, of a manlier and more hopeful course. . . We may add here that we would urge on the investing public a prompt application for shares in the new Bank, so that they may not only secure themselves, but show to Bengal and the Indian Council that there is some true public spirit still left in the island, and that we are not quite bankrupt in sound financial enterprise. There is one subject relating to the affairs of the present Bank in regard to which the Board might, we think, venture to impart a little general information at to-morrow's meeting. . . . . .

As to Mr. Dickson, we may venture to express our thankfulness—though not quite in the emphatic manner adopted by Dr. Johnson's printer on his sending home the last proof sheet of the dictionary—that "at last we have done with him" in his character of a public financier. As a practical bank manager, though by no means a perfect model, he will, we hope, always retain the respect of the public, and we trust the Bengal shareholders may long have the benefit of his careful and vigilant management. As a professed reformer of national commercial finance, we imagine that his brief career is closed. He entered on that career armed with the minute of March last, in which he proposed to revolutionise the commercial monetary system of India; and this he did on principles which are reactionary on the one hand, and utopian on the other. He closes that career with the attempt—for which no doubt a majority of Bengal Directors are equally responsible—to steal a march *vid* Simla, and thereby pin into a corner both his own shareholders and the public of Bombay; and thus there is an end of Mr. Dickson as a public man, though we repeat he will ever be esteemed for his private character, and valued for his practical business abilities.—*July* 15, 1867.

THE GLAMOUR OF 1865 AND THE GLOOM OF 1867.

THE annual meeting of the proprietors of the Bombay Bank which is to be held to-day is an occasion of no common interest. It may be regarded as the last act in a drama in which some one or other of the leading characters may be expected, with their speeches proper to the immediate occasion, to join in something like an epilogue that may throw light on the "strange eventful history" of the Bank, and serve to explain much of the "business" gone through by players in previous acts which the audience has not been able to follow. As for the present Directors, it must be a relief to them, as it is to the public, that this is the last of a series of meetings unsatisfactory to all concerned. Enough has been sacrificed on the shrine of official reticence. Before quitting the stage the Directors owe it to themselves, as they owe it to their shareholders, to cease the fencing and by-play of former meetings, to drop the hackneyed phraseology of previous addresses, and to state, without fear or favour, all the circumstances within their knowledge which have brought about the ruinous loss of 150 lakhs of the Bank's capital.

This figure may possibly startle some who yet retain any sensibility to surprise; but we believe the Board is determined to touch bottom at last, and it is said that the Directors will to-day own that 50 lakhs is the only safe estimate they can offer of the Bank's present assets. It must be observed, that this pitiless but business-like appraisement is made on a principle the reverse of that which has characterised the Directors' course from the beginning of their disasters. This time the shareholders may really venture to trust in the possibility of a margin, but this dismal result presents a moving contrast to the Directors' pleasant talk in January last, of the probability of there being a surplus which might go towards "the creation of a new reserve fund." The significance of the present meeting can only be realised by those who are able to take a retrospect of the Bank's affairs since the first announcement of disaster at the annual meeting in August, 1865. The proper text on which the proceedings to-day must form the fitting commentary will be found in the ingenious and extraordinary speech delivered by the deluded Chairman of the Bank two short years ago.* Any thoughtful person who will be at the pains to turn to that invaluable address—invaluable because in it are crystallised, as it were, all the misconceptions and financial folly of the two years that had gone—will not only derive much grim diversion from its perusal, but may reap permanent instruction from the reflections which must be prompted on re-perusing Mr. Hannay's eloquent vagaries. It was his part to justify the great extension of the capital, the whole of which was then scarcely paid up; to apologise for the absence of a dividend; and to extenuate the then estimated loss of 30 lakhs, which he said "may turn out to be much less;" and he had also to justify the total revolution in the management of the Bank which had been inaugurated in connection with bringing in the new Charter in 1863. All this Mr. Hannay did without stint; and the historical value of his speech consists in the completeness, not to say hardihood, with which the financial theories of 1863-4 are therein set forth. To-day these theories and the system of banking inaugurated under Act X. of 1863 are to be brought to the final test; and we trust the present Directors will be as bold and thorough in setting forth the disastrous demonstration as the Chairman of 1865 was in glorifying the "sagacious men" under whose counsel the "antiquated" old Charter was abolished. . . . . .

After all drawbacks the Directors doubtless can show a good claim to the thanks of the shareholders, for having borne the pressure of heavy anxiety and a world of fruitless labour. Let these be freely accorded them; but we think they have lacked courage to break with the past. With the weakness so common in modern society, from consideration to their predecessors, they seem one and all to have allowed undue weight to that conventional sentiment of mistaken loyalty and good fellowship which in so many instances conflicts with a proper sense of public responsibility. Thus it has happened that the Directors, since 1865, by wrapping themselves in the folds of official reticence, have incurred the risk of being indirectly identified with the demoralised banking of 1864-5. It will be remembered that at the annual meeting of last year, it was not until two or three shareholders charged the Board with having allowed the debtors of the Bank to speculate in cotton, and so extend ruin throughout Bombay, that the Directors

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* See pp. 141-3.

confessed that almost all the losses were on account of transactions in 1864 and the early part of '65. . . . . .

For it must be evident to the most casual observers that the financial demoralisation of Bombay is attributable to the reckless management of its great local Bank, more than to any one cause besides; therefore the required investigation into its past history concerns the public as well as the proprietors. The present Directors have striven to preserve the remnant of the shareholders' property, and their disinterested efforts will be appreciated; but, before taking leave of their post, public duty demands that they should take decided steps in order to prove that they have themselves now no desire for concealment. Unless this be done, they may run some risk of misconstruction. There is, moreover, another reason why they should desire to separate themselves entirely from the former era of the Bank's history; there is every probability that, at the instance of proprietors at home, a Commission of Inquiry may be nominated by the Secretary of State. Would it not be every way more satisfactory if the Board, before resigning its charge, were itself to take the initiative, and pass a resolution requesting the Local Government to order a retrospective and final investigation. If this course were taken, it would require, in order for the work to be done thoroughly, that Calcutta and Madras should each supply a member of the committee. Until the result of this day's meeting is known, no one can calculate with certainty upon obtaining in Bombay men of sufficient independence and impartiality.—*Aug.* 5, 1867.

THE NEW BANK OF BOMBAY: RECONSTRUCTION.

ONE of the peculiarities of the wonderful English people is the energy with which they go to work to repair a disaster. The virtue of foresight they do not even affect, and usually refuse to believe in coming mischief until a catastrophe arrives. Then every one exerts himself to search out the most hidden causes of the misfortune, and firm resolves are made on the spot that nothing of the kind shall again occur. This peculiarity applies particularly to administrative affairs; and, owing to circumstances which need not here be specified, it is more strikingly manifest in India. This contrast between heedless optimism before the event, and the anxious research and wise resolve after an irremediable misfortune, has been exemplified on a national scale by the Orissa famine, while locally it is forcibly illustrated by the sad story of the Bombay Bank, the dying speech and confession of which was pronounced by the Directors themselves yesterday. In the annual report which appears in another column of our present issue, the Board have at last made a clean breast of it. They have done with fancy estimates and "panic rates," and from the schedule of assets presented to the shareholders yesterday—showing a loss of three-fourths of the original capital of the Bank—it is evident there has been no attempt made to take a sanguine view of things. And not only have the Directors taken this business-like course with regard to the facts of the case, but, in accordance with the national characteristic to which we have alluded, they join in supporting an inquiry to settle the important question, "Whom shall we hang?" . . .

There will be other opportunities for commenting on the important document which the Directors have appended to their report, and which, though it does little more than recapitulate what has already been said in every variety of phrase, derives a special and permanent value from their authority. One word we must say with regard to Act XXVIII., to which they assign such serious importance in diminishing the assets of the Bank and in affording immunity to unprincipled insolvents. That improvised statute was condemned as soon as it was brought to the test of actual work. The mischief it was causing was fully exposed in these columns, and also by correspondents who had full acquaintance with all those evil effects that the Directors now attribute to it; but nothing was done by the Local Government to put a stop to the mischief except languidly calling for reports about the ill-favoured bantling. The impartial portion of the public were fully convinced that the most summary process of Executive authority was called for in order to the suspension of the Act, and had that been done eighteen months ago, it appears that the Bombay Bank would have been saved many lakhs of rupees. We trust the proposed Commission of Inquiry will ascertain how it happened that the Local Government—with apparently the grossest negligence—wantonly allowed this Act to run its course. The reference in the Directors' report to the closing of nine inland branches is suggestive of a

course of inquiry which, if the records of those establishments were placed at their disposal, could not fail to enlighten the advocates for the "universal note" and Mr. Dickson's State Bank for all India. We trust now to have done with the unwelcome task of criticising the affairs of the chief monetary institution of the city, and we turn with hope and considerable confidence to the new Bank, which must be kept wholly clear from the taint of the old.—*Aug.* 6, 1867.

II.—The gratifying intelligence that the Secretary of State "has authorised the Local Government to resume its old connection with the new Bank of Bombay" should have an encouraging effect on the community. This wave will bring the barque fairly over the bar, and there will now be nothing but smooth water before the ship, and a favouring gale behind it, if only the crew stand to their posts and are duly vigilant. As is well known, we do not attach essential importance to State proprietorship in the Bank; but this concession was needful to make our new institution thoroughly popular with the native community, and its being granted by the Secretary of State removes every obstruction out of the way. This result, after the prolonged and often unequal struggle maintained in these columns, is necessarily cause for our own congratulation, but that is as nothing compared with the deliverance which awaits the commercial community. It will now be relieved from the incubus of the old Bank; and the legitimate operations of local and internal commerce have every prospect of speedily obtaining that properly regulated assistance which only a strong and healthy Bank can afford. . . . . .

Something should here be said in respect of the liberal and considerate course taken by the Indian Secretary in Council in the settling of this difficult question, and in which we feel tolerably certain he has been earnestly supported, not only by Sir Bartle Frere at home, but by Sir Seymour Fitzgerald and the Government of Bombay. . . . . —*Dec.* 10, 1867.

III.—Sir Stafford Northcote, or the Indian Council, is a little too hard upon Sir Seymour Fitzgerald, in putting on his shoulders the final responsibility of the Local Government deciding to take shares in the new Bank of Bombay. It is, in this single instance, a reversal of that policy of imperial centralization against which such loud and often misdirected complaints are made. But the exception is an instructive one. Here is a question in which the Secretary in Council has had the most ample information spread before him, and if there were any purely Indian question, as this is, on which the Home authorities might think themselves capable of coming to a decision, it is the simple but important point of State proprietorship in banks. And the Indian Secretary, supported by the Finance Minister here, had indubitably made up his mind in a sense adverse to such policy, as is shown in the telegram in which he permits the Governor of Bombay—but at his personal peril, as it were—to accept shares in the Bank. After all, Sir Stafford Northcote deserves credit for the good sense displayed in his illogical decision. This is one of those numerous instances in the practical work of administration in which the right judgment can only be decided on the spot. It may be very absurd that native investors and depositors attach such extreme importance—make a *fetish*, as it were—of Government holding a few shares in the new Bank, but every one here knows that such a feeling is cherished in Bombay. Sir Stafford Northcote, though he is, perhaps, not so deficient in imagination as our very able Finance Minister, cannot understand the tenacity with which many even of the intelligent native citizens of Bombay cling to the conviction that it is a good thing for the Government to hold shares in the new Bank. But Sir Seymour Fitzgerald is face to face with the little impediment which has caused so much hindrance at the last moment. Better than a conclave of philosophers in London, he can estimate its special significance as turning the scale. Moreover, he is a man accustomed to look facts in the face; and he is a representative in whose discretion Sir Stafford can repose confidence. Therefore, supported by at least one member of his Council and the efficient Chief Secretary, he will be able without any undue anxiety to carry out the decision, the responsibility for which has been placed in his hands. It may now be safely assumed that the Government of Bombay will become shareholders in the new Bank; and when once that decision is recorded, nothing remains but for the registration to be effected and the allotments distributed.—*Dec.* 10, 1867.

THE NEW BANK OF BOMBAY AND ITS CALCUTTA CRITICS.

ON one hand, we have before us, an item of current news, the statement that the allotment of the first distribution of 10,000 shares to the new Bank of Bombay has been completed, leaving a large surplus of disappointed subscribers; on the other side we have a copy of the Minute of March last by the Secretary of the Bank of Bengal, in which that enterprising gentleman, after remarking that "Madras must follow" in the plan for the "proposed fusion of the Banks," declared himself "ready on very short notice to organise a competent staff to commence operations by opening a Branch (of the Bengal Bank) in Bombay." That plausible scheme, brought forward in "an amicable spirit," had on the face of it a direct attraction for the shareholders of the old Bank of Bombay; and though it received in the first instance the most influential support, further examination showed that it was a one-sided proposal, and that a far better course was open both to the shareholders of the Bank and the community of Bombay. That more excellent way has been taken. The capital required for a new Bank of Bombay has been subscribed by the community itself, or those connected with it; and its management, for good or ill, will be in the hands of men who are thoroughly acquainted with the requirements of local and Indian banking—a condition more likely to ensure safety and profit for the capital invested than would have been the case were "the supreme control and the rules and regulations for the conduct of the business resting in and laid down by the Board in Calcutta," as was proposed in the abortive Minute aforesaid. . . . The struggle for the financial independence of Bombay, in which we have had the honour to take so prominent a share, has now been carried through to success. This has been accomplished in opposition to the strongest influences which the monetary interests of Calcutta could bring to bear, though wielded by a gentleman of most tenacious will and high personal character. The Bengal leanings of the Government of India were also necessarily in favour of the Calcutta view of things. There was also in those high quarters a not unpardonable scepticism as to the possibility of any good financial organisation being constituted in Bombay; while, at a later date, a serious impediment has arisen because of abstract objections formulated by the able financial member of the Supreme Council, backed by the strong desire of the Home Government to withdraw from all the Presidency banks of India. Thanks to Sir Seymour Fitzgerald's moral courage and decision of character, that final impediment is now overcome. The letter from the Chief Secretary formally announcing that Government will take 1,200 shares appears in our paper to-day, and on the 14th prox.—the day after the resolution to wind up the old Bank must be confirmed—the new Bank of Bombay will open for the transaction of business. This being the successful position of the measure, for advocating which we are so roundly abused by our Calcutta contemporaries, it is not in any way needful to undertake any serious refutation of their extraordinary misconceptions and clamours. . . . . .

Our Calcutta contemporary, it appears, has forgotten the Minute of last March, in which Mr. Dickson proposed his utopian plan for a State Bank of India, and when he wrote as if it were a very small thing to "absorb" and "fuse," under the Calcutta Board, the whole internal banking business of Bombay and Madras. It is the veriest squeamishness to say that any public man (and Mr. Dickson is as much a public man as Mr. Laing was, or Mr. Massey is now) who comes forward with proposals of this nature shall shelter himself under the screen of a fluctuating, irresponsible Board. Of course the personal and the financial friends of the Bengal Bank Manager may well feel a little chagrin at witnessing the total collapse of the ambitious and speculative scheme of last March; but they have no right to vent their chagrin in raising the cuckoo cry of "personal abuse" against those whose public duty it has been to show the fallacy and risks pertaining to the grasping Bengal proposal. Our contemporary wishes the Bengal Board had "not been so reticent" in regard to the correspondence between themselves and the old Bank of Bombay. That has not much to do with the matter in hand, otherwise we should suggest that the friends of the Bank of Bengal should have been less disingenuous in regard to the old correspondence respecting branch banks on the debateable ground between the Presidencies. If our contemporary, now under notice, will refer to a paragraph on this subject supplied by a correspondent, which appeared in our yesterday's paper, and also to another a week ago, he will see that in regard to the

old story referred to, he has himself been the victim of a "misrepresentation persistently made or blindly believed." As to the pretended necessity for an Agent of the Bank of Bengal in Bombay, that has been effectually disposed of, and we trust to have heard the last of that ingenious little scheme. If any public question of importance should arise in connection with the relations between the different Presidency banks and the position of the Government towards them, we shall be glad to discuss it according to our lights; but we hope to have done henceforth with the querulous and contentious aspect of the question which has been raised afresh by our Calcutta contemporaries, as if by concert and under one personal impulse. As to the Secretary of the Bengal Bank, we still entertain the high opinion we have always cherished when regarding him as a practical bank manager, invaluable in his rank. Though we may consider him as an unsafe guide in matters of currency and national finance, it is needless to say that as a business man we regard him as worthy of great personal esteem.—*Dec.* 17, 1867.

BOMBAY AND ITS BANKING CAPITAL.

ONE would have thought it impossible, whilst recent experience is speaking so plainly, that any journalist in Bombay should write under utter misapprehension of the simplest questions connected with banking business. And yet there are writers who, it seems, can form no estimate whatever of the due proportion between the amount of banking capital and the actual commercial wants of the city. One of our contemporaries, the other day, after denouncing the Viceroy because he refused to allow the Secretary of the Bengal Bank to tear to shreds the charters of the Presidency banks, proceeds to remark as follows, respecting an establishment here of a branch of that bank: "Such a branch would have been equivalent to the introduction of a large amount of new capital into Bombay, and would have been one of the greatest boons that could be conferred upon this city in its present shattered condition." And much "vexation of spirit" was expressed by the writer because of the "arbitrary stretch of prerogative which has excluded this city from the privilege of having a great and powerful bank opening its doors in our midst." This privilege, be it observed, was to be enjoyed in addition to the use of the new Bank of Bombay, which is nearly ready to begin business. And in the same strain another contemporary professed great delight at the prospect of the Bengal Bank bringing a large portion of its four or five crores of idle cash to this very tight money market, and of "the facilities and accommodation the Bengal Bank would afford to the business of the merchants of Bombay;" and the writer adds, with unaccountable simplicity, "on these grounds we have already cordially welcomed the opening of this important agency." Now let it be borne in mind that "the business of the merchants of Bombay" is the end that requires to be served, and that only by banking accommodation and facilities. There is no question in this connection of that "accommodation" which speculators would all wish to have; nor, on the other hand, of the urgently needed and legitimate demand for the release of unproductive investments and the discharge of indebtedness. That, we admit, can now only be accomplished by the advance of new capital wherever it may come from, or capital that can be spared for the purpose.

To call out just now for additional facilities and new capital to supply the current and legitimate wants of trade in Bombay, whether export, import, or internal, is to show that deplorable delusions exist as to our present commercial position. When people pretend to write on this subject they should show that they have made some attempt to estimate, first, the extent of trade that is being done, and, second, the amount of banking capital which is at present available for the legitimate demands of commerce. . . . .

Lest we should tempt some hasty critics to undertake a bootless task, we will try to explain how it is that, while we have shown there is abundance of funds for banking and trading purposes in Bombay, being that portion of capital which is popularly styled "money," there is also needed some measure that would release a large amount of capital that has been prematurely "fixed"—that is, invested too rapidly in houses, lands, and reclamations. It should be obvious on the face of things that there is no inconsistency in the position we have here taken up. The two kinds of capital pertain to different classes of people, and are applied to totally different purposes. The trading capital is exposed to risk, but claims higher profits, and its varying amount is often determined by

circumstances altogether independent of the contrivance or wishes of its owners; as, for instance, the decline in the price of cotton has virtually increased the total amount of the floating capital of Bombay by thirty per cent. Fixed capital, on the other hand, while it brings a smaller rate of profit, must yield a certain and positive return; and any fear of risk to the principal destroys all confidence and unsettles every relation dependent on it. That is the position in which Bombay finds itself just now. Capital has been invested at too high rates, and much of it in directions where it must necessarily be unproductive for a few years. It is only what are strictly the savings of the community that can safely be invested as fixed capital; and that natural limit has been enormously exceeded in Bombay during the last five years. Undue or inconsiderate investments in some directions have disturbed and depreciated even the legitimate values of real property in every direction. Hence, the enormous mass of mutual indebtedness under which the city vainly struggles cannot be adjusted, distributed, or settled. That real property, if forced into the market now, must be sold at a price much below the cost of production, or any other permanent test of actual value, every one knows. There are illustrations of this on every side; we may mention, at random, the well-built bonded warehouses at Colaba, which, a few months ago, some one bought for one-third or fourth of their value. The "Grant Buildings" the other day fetched only 2½ lakhs, though, before prices went up, they had cost six to build, and the last owner had given twelve lakhs for the property. Thus, while there is plenty of money ready to be advanced on twice the quantity of cotton that is likely to come forward, there is comparatively very little capital indeed that is available for investing in the mass of real property that is still hanging over the market, the money value of which requires to be distributed and allotted amongst creditors, so that they may again discharge their own obligations. The liberation of one or two millions of locked-up capital, and which would be effected by the State repaying the outlay on the Elphinstone and Victoria properties, is exactly the kind of relief most needed in Bombay. As for "accommodation" to careful traders, and "banking facilities" for legitimate commerce, there is even more than is absolutely needed in Bombay at present.—*Nov.* 18, 1867.

THE BANK OF BENGAL'S ENCROACHMENTS.*

THE Deputy Controller-General is now the performer of the day in the protracted farce in which the Government of India kills time and serves the interests of its provincial and private clients by sham minuting and reporting on the Bengal Bank's Agency in Bombay. That gentleman's formidable designation serves very well for popular use in the solemn trifling by which the Financial Department of the Supreme Government has lowered itself to the level of a speculator's parish cabal; and his report will be used as a buffer or cork-fender between Sir Richard Temple and the Secretary of State. To allow a mere administrative functionary to become the exponent of the Supreme Government in a matter on which hangs the whole question of the Indian Presidency banks, is about as absurd as it would be to call upon a sergeant-major to indite a minute on the political policy for the North-west frontier. It is not long since the sub-department of the Supreme Government known as the Bengal Bank moved to have the Advocate-General of Bengal asked to find an attorney's excuse for the glaring breach of public faith involved in the unlimited and unrestricted "collection of outstandings." Of course that polite and pliant functionary advised the Bengal "debt collectors" to go on as before, and to make hay whilst the sun shone—that is, so long as the Secretary of State could be hoodwinked.

Now we ask once more, how long is this farce to go on? We wish it were shown to the satisfaction of the public of Bombay that its Government has done all that can be

* The Presidency banks of India are a somewhat peculiar institution—similar to, and yet unlike, the Bank of England; but their constitution may be understood by those who read this group of extracts in conjunction with those, a few pages back, describing the successful struggle for reconstruction of the Bank of Bombay. There are three of these quasi-State banks—one for each of the old presidential divisions of India—but the geographical boundaries of their operations not having been precisely defined in their respective charters, there was an opening for the daring attempt by the Bank of Bengal to annex the whole field of the Bombay Bank—an attempt defeated only after a protracted and determined struggle.

done in this matter. Was Lord Mayo fully informed on the subject before he could be tampered with by Sir Richard Temple, Sir H. Durand, and other inveterate Bengali partisans? It is impossible the Duke of Argyll can be acquainted with the facts of the case, that he can be aware how the orders of his good-natured predecessor were set aside, or that he knows how the whole system of the Presidency banks in India is being subverted by a side-wind. Still less can he suspect that this is being done solely in deference to the personal interests of the shareholders in one of them, because it happens to be afflicted with a plethora of capital which it cannot use profitably within the limits prescribed by its charter. Were the Duke to follow out the history of this Bengal Bank case, he would see that, laudably anxious though he be to increase the authority of the Governor-General, such authority is always liable to be used adversely to the interests of the larger part of India so long as the Supreme Government is so largely dominated by Bengal influences. Were the Duke of Argyll to bethink him of taking counsel on this subject with his now aged predecessor, Lord Halifax—the one man who fully understands the polity and relationships of the Indian Presidency banks—the present invasion of the Bombay Bank's field and the ostentatious defiance of Home authority would not continue one month from date. Lord Halifax would point out that the Bengal Bank has violated its understanding with the State, and that its charter may be revoked at any time—a contingency for which the Bengal Bank shareholders must of course have long held themselves prepared. It would probably tend much to the Duke's enlightenment—as regards the impunity with which the Bengal Bank has been and is permitted to overpass its assigned limits and place itself above the law—were he to call, confidentially of course, for a return of the Bengal Bank shares held now and during the last two years by servants of the Government of India. . . . . .—*April* 9, 1869.

II.—In referring to the humiliatingly partisan course followed by the Supreme Government in the matter of the Bengal Bank's lawless competition in this city, the *Madras Times* very properly gives prominence to the administrative aspect of the question. The rights and interests of the shareholders in the new Bank of Bombay alone furnished sufficient ground for the peremptory winding up of the Bengal Bank's "collection of outstandings," before the defiant step of purchasing costly premises in Bombay was taken by Mr. Dickson. The indefinite and serious risks, both to commercial and State finance, which are incurred by the unwieldy capital of the Bengal Bank being spread over provinces with which Calcutta has no natural trade connection, and the competition of that State bank with the other two that are bound up with the Imperial finances, are palpable evils which a Finance Minister of ordinary prudence and impartiality would have nipped in the bud. By this we mean, that as soon as the purchase by the Bengal Bank of premises here, the trafficking in bills, and the opening of new business, revealed the deceptive and designing nature of the pleas put forward in order to get foothold, Imperial interests demanded the most rigorous interpretation being put on those pleas. By promptly insisting on those pleas being tested, the Government of India would have avoided the false position it now occupies. More serious than these considerations, if possible, are those connected with the attitude into which the Government of India has drifted between the Secretary of State, the Government of Bombay, and the new Bank of Bombay on one side, and on the other the shareholders of the Bengal Bank. It is more than ever desirable that India should be governed in India; but there have been few instances of late years showing more forcibly than has this crucial test of the Bengal Bank's encroachment on Bombay, how difficult it is for the Supreme authority in India to act with firm impartiality when financial interests are concerned in the province with which the Executive is so closely associated. Now, it is seen that the Secretary of State's orders can be coolly defied, or, what comes to the same thing, parleyed with and postponed indefinitely at the instance and in the interests of the provincials concerned. . . . So far from legislation being needed in order to remove the intruding Agency from Bombay, it is much more likely that, if strict justice be done, there will require a Bill of indemnity and compensation for the injury caused by the Bengal Bank's flagrant violation of the spirit and scope of its charter. In bar of a measure of this kind, the Bengal Board can only plead the "consent" of unwary and favouring administrators, who, little to their credit as such, were caught with the far-reaching guile of Mr. Dickson's letter of November, 1866.

The end of this struggle must be nearly at hand, when the Government of India will vindicate its self-respect and the Secretary of State his authority. In order to leave no excuse for continuance of the State-supported competition to which the new Bank of Bombay is so unfairly subjected, its Directors have announced the issue of the full amount of its subscribed capital, thereby complying with the letter of the charter, though no doubt, as bankers, they regret to acquire as capital the funds which they could readily obtain in the shape of deposits. Notwithstanding the certainty of the Bengal Agency being about to be disposed of, we are not surprised that some vigilant people hold the belief that that great leviathan, the amalgamation snake, is only "scotched, not killed." This augury is founded on the fact of the Bengal Bank's unnecessarily large capital, which cannot be made to return an Indian rate of interest whilst the Board honestly confirms to the terms of its charter. The shareholders should inquire how the capital came to be so much larger than is needed in the legitimate operations of the Bank. They would then find that there is no ground for the State to revolutionise its system of Presidency banks, merely in order to recoup the Bengal shareholders for a decline in premium, which almost inevitably follows from former injudicious policy on the part of their own managers.—*May* 27, 1869.

III.—Our two Calcutta contemporaries who have been whistling to keep up the courage of the trespassers on the banking preserves of this Presidency, are welcome to such transient consolation as they may find in our yesterday's note of the interview with the Secretary of State. His Grace appears to have been taking lessons in the fine art of receiving deputations; and, though necessarily a little stiff and awkward as yet, he succeeded in maintaining to the full the correct deportment of a reticent Minister who has to consider not only Cabinet colleagues, but also a Council. The Duke had just gone through that process of rapid conversion in regard to his own power over the Indian revenues, on which he was pleasantly rallied by his peers, Salisbury and Cairns, in the debate reproduced in our paper two days ago. He was probably that very week about to have a set conference with Lord Halifax on the whole subject of the Indian Presidency banks. Having just been set right by his Lordship on one Indian financial question, his Grace would be chary of again subjecting himself to a mental wrench in regard to another subject on which Lord Halifax is sufficient of a master to be more than a match for a troop of Mr. Dicksons and Sir Richard Temples. Hence the Duke's prevailing thought appears to have been that he should not commit himself; but this very caution only renders the more significant his Grace's assurance, to the effect that however open to criticism the partisan attitude of the Supreme Government in this question might have been aforetime, it would thenceforth be found that the Viceroy and his colleagues were in earnest in desiring the withdrawal of the Bengal Bank's Agency from Bombay; . . . but no revision of the system of Presidency banks can possibly grant to the Bengal Bank impunity to violate the policy of the charter by which it enjoys its privileges. This is what is done every week any separate Bengal Agency remains in the Bombay Presidency, and the Duke of Argyll showed that he knows sufficient of the question to be uncomfortably conscious of the false position into which the authorities have been entrapped.

With regard to the outcome of the renewed consideration of the system of Presidency banks, we hazard no prediction. If anything would precipitate a decision in the direction towards which the Duke of Argyll personally inclined—that is, the withdrawal of Government from all connection with the banks—the occasion might be found in the insidious method by which Mr. Dickson obtained "consent" to set up a rival establishment in Bombay, and the present dogged resistance by the Bengal Board to orders of the Secretary of State and to the strongly expressed wishes of the Government of India. . .

We do not care to dwell on the real difficulty present, no doubt, in the mind of the Duke of Argyll, but of which he could not openly speak to the deputation. He had evidently then become aware that the Government of India had been, at least temporarily, overreached; and it is easy to imagine the disgust of the somewhat haughty peer in feeling that a great department in this country had been placed in a false position, and that the Supreme Government must for the present appear as the subservient colleague of a Board of Bank Directors. If our high-minded contemporaries can exult

over this situation, they are welcome to do so; but we are none the less sure that the pettifogging feat henceforth to be remembered by the term "collection of outstandings," will have done much to diminish the baneful predominance of Bengal provincialism in the counsels of what should be the Government of India. . . . Let those concerned be comforted, for the shareholders of the Bank are quite satisfied as to the "pledges," if that be the proper term, given not only by the Bombay, but by the Supreme Government. Moreover, the draft Charter of the Bank of Bombay has been "in print" many a month, and if the writer in the *Englishman* will restrain himself, he shall see it on publication. We scarcely need remark that the deputation were mistaken in their impression that the Bengal Bank has laid hands on the treasuries under the Residency of Hyderabad. It is no fault of that encroaching institution that this was not the case; but that the attempt was frustrated, affords strong evidence in corroboration of the Duke of Argyll's assurance, that the temper of the Supreme Government is changed for the better in regard to the unseemly policy of the Bengal Board.—*June* 11, 1869.

IV.—The "Fourth] Report" of the new Bank of Bombay, which appeared in our columns yesterday, is at once concise and perspicuous. No one conversant with the course of trade in Western India could expect more than a minimum dividend for the latter half of the year, and the report reminds us of the well-known adverse circumstances of the past season which, in curtailing the profits of legitimate trade, have tended to restrict the ordinary operations of the Bank. These are the times when bankers are tempted to step aside from the narrow path of strictly safe business; but it is needless to remark that the new Bank of Bombay is not likely even to go near the way of temptation. "No bad debt has been incurred during the half-year," and notwithstanding the increase of capital, a fair dividend has been made without indenting on any reserve funds or anticipating resources. In these respects the new and vigorous Bank presents a favourable contrast to its overgrown sister institution and unfairly patronised rival. . . . . .

The question, then, is simply this, are those finally responsible for Indian administration—the Secretary of State and the Supreme Government—likely to yield a position regarded as indispensable to the financial steadiness of the country, merely because that position is mutinously and irregularly assailed by the commercial Directors of the Bengal Bank? And if the authorities were weakly inclined to surrender the financial position, it would still be to ask, are the shareholders in the Presidency banks and the mercantile community generally prepared to see those institutions separated from State connection, supervision, and support? This is the result which the Bengal Board is driving at; and though, in the false position into which their Bank has been allowed to drift, such desperate means of extrication may commend itself to the Directors and their ambitious Manager, it is high time they took the shareholders into their confidence. It is very probable that the captain and mates are taking a cruise of which the passengers would highly disapprove; and though the latter may have no legal ground for demanding to be taken into council, they ought to be allowed to fully understand to what they are being committed. Are the Bengal Bank shareholders prepared both for disendowment and disestablishment? If they raise the cry of free banking, they must be prepared for all the perils and chances of ordinary joint-stock management. . . . . .

It is not an uncommon thing in the case of a merchant leaving his business to sons, or when partners separate from a firm by mutual consent, for those concerned to enter into strict legal agreement defining what counties or countries shall be reserved as the exclusive field of trade for each party concerned. Suppose, in the course of a little time, one of these mutual agreeing parties, happening to come in for some windfall of capital, should think it needful "for his own special safety" —that is, for the increase of his profits—to poach on the preserves of his brethren. Of course he could plead "free trade" principles on his side, and might resolutely refuse to see why he should not do as he liked with his own. Probably, however, in the case of this private raider, some enlightened judge might be found who, by the use of terms forcible though polite, would convince him that no consideration of what was required for his "own special safety," no vague talk about general rights, no audacious taking advantage of opportunity, would avail to excuse him in tearing a

compact to shreds, or in despising the conditions of a well-understood agreement. Probably, having enjoyed some profits from his stealthy or bold transgression, he might raise the cry of "coercion," as is now done by anticipation on behalf of the Bengal Bank. Yet in that case, the decree of the Court would be executed without reference to the groans of the grasping but disappointed trader. It is a small thing to expect the Supreme Government of India to act with the impartiality and firmness which would be expected from an ordinary court of justice. . . . . .

What decent defence can there be for an insidious encroachment, the two great pleas for which are—first, that for a few weeks towards the close of 1867 the Bank required to "collect" certain insignificant "outstandings;" and second, that a few months later it purchased certain premises without asking leave, and was not ordered by the Supreme Government to sell them at once? There is another plea not put forward, but it is a strong and sound one—defiant self-interest. The triumph of this force one could understand, but not under an Imperial administration whose firmness was equal to its regard for good faith. The new legal member of the Supreme Council is free from some hindrances which slightly interfered with Mr. Maine's willingness to carry out the Secretary of State's wishes by way of a short Act; and were the Viceroy firm enough, this course could be taken by Mr. Stephen, and the reproach would be removed in a month. But, as we have intimated, there are still more direct methods of enforcing the will of the Supreme Government—if it had the will.—*Jan.* 25, 1870.

V.—A Calcutta contemporary shows some signs of perturbation because the Old Bank of Bombay has been revisiting the pale glimpses of the moon. Here we may make a note in passing, that as the old lady flitted across the scene the other day in care of her keeper, Mr. Liquidator Rodgie, she presented a much better figure than might have been expected after the desperate attempts at revival towards the close of 1866, when it seemed likely that the unlucky shareholders might have to pay for the costs of winding up rather than receive anything back. As it is, more than Rs. 100 per share have been returned. As to the case of the continuously holding old shareholders—and they have a case, though they are jeeringly asked whether it is one of which the Courts can take cognisance—we have not much to say about it at present. It is mainly one of private interests, though it turns upon the question of public responsibility, and, painful to remark, may affect a couple of lakhs or so of public money. Our Calcutta contemporary gratuitously advises the old shareholders to go into Chancery. We think it was Horne Tooke who was reminded by the smooth-spoken officials of his day who detested agitation, that the "Registration Courts were open" to him and his troublesome friends: "Yes," replied the radical lexicographer, "I know, but so is the London Tavern." Now that the victims who confided in Government and its bank directors have got a spokesman at St. Stephen's, they may not find it needful to trouble the Court of Chancery.

Turning from this semi-private question, we come to that which is purely a public one—the transgression by one department of the Supreme Government of the legal and impartial attitude which that Government was bound to maintain towards the three Presidency banks. Our brief notice of this subject last week would have been quite sufficient but for the response it has evoked appearing in such an unexpected quarter. . . . The establishment of an agency, virtually a branch, of the Bank of Bengal in this city, competing, as it must, with the Government Bank of Bombay, is a flagrant transgression of the terms and privileges accorded to the Calcutta institution. So extreme is this violation, that we should not wonder to see an attempt at justifying it based on the assertion that there is no clause in the charter forbidding such transgression—its framers never having dreamed that any course so audacious would be attempted or permitted. But the "high contracting parties" never took account for the conjunction of Sir R. Temple as Finance Minister; Mr. E. H. Lushington, as Financial Secretary and Chairman of the Bengal Bank Directors; and Mr. George Dickson as Manager of that institution. Under this extraordinary coincidence of celestial influences, Bengal, or its Bank, "cried for the moon"—and got it. The astute Manager was permitted to entrap the Supreme Government into allowing assent to pass by default; and thus it happened that a solemn law and ordinance was disregarded in furtherance of the private interests of shareholders in the Bank of Bengal. . . . . .

In the meantime, we have not again referred to this matter as a grievance—though to the old-new shareholders it is a very palpable one—but as a striking proof how hollow is the Simla watchword of decentralization. At the very period when the central administration was preparing to make itself famous by relinquishing some of the irritating control it has so uselessly exercised in minor matters, it permitted its most influential department to abet and carry through an intrigue on behalf of certain local financial interests in Calcutta, in defence of which the same central administration now exercises all its negative power. The Supreme Government, in relation to the most important commercial institution in India, falls back on the device of the last ecclesiastic Government in the world, and pleads—*non possumus*. This may not be dignified, but it is perfectly in character with the present financial *régime*. . . . . .—*May* 3, 1871.

VI.—It shall not be our fault if we are drawn into any renewed discussion in regard to the pretension of the Bengal Bank to do as it likes in spite of its constitution as a quasi State Bank. The way in which its late astute Secretary contrived by dint of a plea which, at best, could only have temporary appositeness, to get foothold as a competing Bank in Bombay, and the fact that the Secretary of State long since condemned that intrusion and decreed it should cease, are all matters of history. There has not been, as alleged, any new move on the part of "the supporters of the New Bank of Bombay." . . . . . .

There is one notable fallacy which runs throughout a recent article in the *Pioneer*. It is one very characteristic of the provincialism which quietly assumes that the claims and pretensions of Calcutta are the interests of India, and that the provinces and persons more immediately within the influence of the Supreme Government have an undoubted claim to whatever preference or pecuniary favour is in the power of the Viceroy to give. It was only under the pressure of that strong Bengal influence which ever and anon biassed Lord Lawrence's policy, that the Bengal Bank could have stolen the march it did in 1867-68. The fallacy in the columns of our Allahabad contemporary to which we allude is that of substituting "the Bengal Bank" for the "system of Indian Presidency Banks." Thus this misleading pretension runs:—"The position which the Bank of Bengal holds in the Indian commercial system;" "The Bank has come to be regarded as the ultimate source of credit in the commercial transactions of the greater part of India;" "The Government of India is fortunate in having an institution like the Bank of Bengal already existing," &c. The writer has here got hold of a sound principle, but in applying it falls into a mere narrow, local groove. . . . . .

It has been our argument all through, that in the Presidency Bank system India has a "strong financial institution on which credit may lean." Those who understand the federal basis on which that system rests—and it is of no use speaking to others on the subject—are well aware that for each of the three Banks to set up competing Agencies in each of the three Presidency cities would speedily dislocate this imperial institution, and not only "might (but would) involve the danger of a financial crisis." This is the "explanation"—which the Allahabad writer is, on his own confession, "incapable" of conceiving—why the Secretary of State, and, we trust, the Viceroy also, is determined that the Bank of Bengal shall not have the use of the Treasury balances to enable it to compete with another Presidency Bank. The notion that such a one-sided and disintegrating policy would be permitted, is a striking manifestation of Bengal provincialism.—*Jan.* 8, 1874.

VII.—One or two recent articles in the Calcutta press induce us rather unwillingly once more to allude to that much-vexed question, the local Agency of the Bank of Bengal. Our contemporaries, by the most perverted sophistry, affect to hold the Secretary of State responsible for all manner of consequences that must ensue from the enforcement of his order for the withdrawal of the Agency, and denounce his treatment of the Bank of Bengal as "contemptible, mean, and hardly honest." Now, many persons are apt to overlook facts, and to accept specious arguments adroitly put forward as fair representations by an unprejudiced writer; and it is for this reason only that we revert to the question. It cannot be supposed that the Secretary of State, the India Council, or the Government of India, had any end of a personal character to serve in relegating the intrusive Agency to its own Presidency; but much obloquy may be thrown upon one and all of these authorities by the circulation of unscrupulous statements, and we therefore would show, for instance, how untenable is the position assumed by the *Englishman*.

It is asserted that the meaning of the Secretary of State's order is simply that the Bank of Bengal's business in Bombay shall not be managed by an officer of its own, appointed by the Directors. But the truth is that the Agency has no right to be here at all. Its presence in this city is due to an audacious usurpation. . . . Therefore the order for the withdrawal of the separate Agency is but a tardy act of justice to the new Bank of Bombay. It merely requires the Bank of Bengal to retire from a position into which it stole under false pretences. If there be "meanness" in this, our readers will be able to judge whether it is the Secretary of State or the Directors of the Bank of Bengal who can be accused of conduct barely honest.

If the Bank of Bengal be compelled to withdraw its Agency, the Secretary of State is reminded by our Calcutta contemporaries that it is more easy to pull down than to rebuild. Ominous language this, the import of which we can only guess at. . . . And it exhibits an entire misapprehension of the history and facts of the case when the *Indian Daily News* represents that the Secretary of State ever intimated his "intention of not interfering any further," and that the "stipulation is renewed," our contemporary is careful not to say "made," "at an almost critical period of the Bank's career." The India Office and Supreme Government long since took up this position, which, now the "critical period" duly referred to in "former correspondence" has arrived, neither of those authorities can possibly depart from.

The simple truth is that right has at last conquered might; and we congratulate the Bank of Bombay in having adopted and steadily pursued a policy which has at last realised such a result. The best thing the Bank of Bengal Directors can do is to bow to the Secretary of State's order, endeavour to forget the past, and work harmoniously with the other two Presidency Banks in India.—*Jan.* 10, 1874.

MODERN SANITATION IN BOMBAY:

CLEARING THE WAY.

HAVING already briefly noticed the Municipal Commissioner's Report for 1866, and bespoken attention to its comprehensive and important contents, we now turn to the Health Officer's Report, which, though subsidiary to Mr. Crawford's, itself forms a distinct and complete treatise. Dr. Hewlett has the advantage of addressing the community after it has learned at least the alphabet of sanitary science. No one can now affect to be ignorant of the main facts relating to the extent, physical characteristics, and aggregate population of the island; neither can any one be insensible to the dangers of overcrowding, or of the misery that is inflicted on all classes by defective drainage, unwholesome food, and contaminated air or water. The Health Officer's Report will, therefore, find readers who can readily appreciate what has been attempted, and form some conception of the importance of what remains to be done; but we imagine few will be prepared for some of the revelations contained in Dr. Hewlett's thin quarto. Some years ago a certain clever Mrs. Crowe strung together, in the form of a book, all the strange and startling ghost stories she could find, and entitled her work "The Night-side of Nature;" but Dr. Hewlett might with far more reason have called his dreadful record "Researches on the Night-side of Bombay."

He tells us of those unpleasant circumstances that are in some way or other inseparable from all town life, but from all mention of which every one likes to turn away. The Health Officer's Report is, however, the proper place for these things, and it must be admitted that Dr. Hewlett has made full use of his opportunity. If his pages make fastidious people shudder, they should arouse amongst thoughtful people—especially amongst influential native gentlemen who are the only permanent residents—an untiring determination to do all that can be done to sweep away these abominations from the island. Besides determination, there is needed careful study and much considerate forethought. . . . We shall require, in addition to the Vehar Lake, another system of water-works rivalling the Croton Aqueduct of New York, or Loch Katrine system by which Glasgow is supplied. We are told in this report that the dense jungle of habitations known as the native town, covers an area of 60,660 acres only, giving a space of six and a-half square yards for each of the 449,891 people who there reside. . . . Bombay has, far more than Calcutta, an indisputable claim for Imperial aid in the matter of municipal and sanitary improvements, and will, no doubt, receive such assistance; but

if all other sanitary reforms are to be carried out to the complete extent just indicated there will be sufficient left to strain the resources of the Municipality for a generation to come. And yet disease and death wait upon no financial convenience. Such is now the position of sanitary science that—supposing we could always insure money being wisely spent—the bills of mortality must bear a corresponding but reverse proportion to the outlay on sanitary improvement. . . . . .

The task of the grave-digger is one that never ceases for a day, and unless some municipal arrangement were contrived for the removal of the dead out of the island, and that at a very small cost, the classes whose funerals are by far the most numerous must be allowed to bury within a walking distance. Dr. Hewlett, if he could have his way, would get over the difficulty by adopting universally "the most cleanly method of removing the dead"—speedy reduction of the remains to ashes by means of intense heat—but only a comparatively small proportion of society is ready to acquiesce in this facile method of removal. We are glad, however, to observe that it is intended the Municipality shall assist those of the poorer classes who are willing so to dispose of their dead. The Health Officer expresses a strong objection against the continued maintenance of the Parsee Towers of Silence on their present site; and though no one would wish to interfere with the peculiar practices of our Zoroastrian fellow-citizens in this respect, it would be a great advantage to the community if they could be induced to accept some remoter site; but we are astonished to find Dr. Hewlett suggesting the Flats as an alternative. Judging by his report, and the pictures in it of his flock of feathered undertakers, a considerable portion of that deplorable region already merits the designation of "Golgotha." As a satisfactory conclusion to our remarks on this dismal subject, we may congratulate the Commissioner on his having finally arranged the picturesque and suitably situated European cemetery at Sewree; and we trust that by means of some economical arrangement with the G.I.P., the spacious site at Matoonga may be made available for the Portuguese community. . . . . .

No great and general improvements in sanitation are likely to be carried out effectually unless numbers of persons who have much leisure and some wealth at their disposal become imbued with an intelligent public spirit, and cordially co-operate with the Commissioner and Health Officer. We believe that there is not a little of this spirit growing up in Bombay, some of which finds exercise in the zealous voluntary labours of the Standing Committee of Justices. There has always been a fund of active benevolence to draw upon in this community, and from that will probably be supplied the additional hospital accommodation which Dr. Hewlett shows to be so urgently needed. The funds for the long-promised European General Hospital are now provided by the Supreme Government, and it remains for our Local Executive to press forward with the building. The striking improvement in the rate of mortality shown in the figures for 1866 would seem to cast discredit upon the dreadful account of our sanitary affairs as depicted on many pages of Dr. Hewlett's Report; but the explanation, we believe, is, that both are true—the death-rate relatively so at least. The humidity of the Bombay atmosphere tempers the scorching heat of our tropical sun, and the salubrious sea-breeze drives off or neutralizes the foul odours which arise from low-lying sites and the undrained and overcrowded portions of the island, which have, as yet, an inexhaustible disease-producing capacity. Since 1864, the overcrowding in the more pestiferous portions of the city has been much abated, and to that circumstance, together with some decrease in the aggregate population (thereby disturbing the arithmetic of the calculation), must be attributed most of the diminution from 30·62 per 1,000 to 20·50; but we think still more of it is due to the municipal reforms that have been introduced under Mr. Crawford, especially those worked by Dr. Hewlett and his staff of European Inspectors, whose arduous labours he very properly notices.—*May* 18, 1867.

VARIETIES OF TRADE NEEDED FOR BOMBAY.

CAN Bombay now hold its own in the commercial world? This is in effect the question put in another column by "Merchant," and in which he endeavours to show that, in face of the now certain and permanent decline of cotton prices, Bombay and its producing territories are thrown back to the position this Presidency occupied seven years ago. "Merchant" seems to think, indeed, that we are worse now

than then, inasmuch as before the American War "we were doing well," in the best commercial sense of the term. That is, both agriculturists and merchants were turning their attention—as we would say, with varying success—to every new source of production that promised to yield profit from its export. Saltpetre was being manufactured in Sind; coffee-planting and the coffee trade from the Malabar Coast were actively pushed forward; hemp was being grown, gunny cloth and other fibrous products were being utilised; some had begun to cure hides and sheep-skins; so that Bombay promised to rival Bengal in the multiform variety of its exports. All this intelligent activity was manifested in addition to the steadily increasing trade in oil seeds, wool, and a few other staple products for which there was a steady demand, not in any way liable, as it is argued, to reaction, as is the case with our grand cotton trade, that has swallowed up all the rest. "Merchant" points to the certainty that cotton being our sole staple, our total export values will shrink very seriously during the ensuing season, while we have no other products that can fill up the gap in any appreciable degree. He compares this state of things with the expanding variety (not the aggregate extent) of our exportable resources seven years ago, and asks, mournfully, if not reproachfully—"Who can tell what progress we might have made in six or seven years, if the American War had not broken out, leading us to almost ignore every article of export except cotton?" We have fiddled upon one string; and now, when that is relaxed or broken, the music of profitable commerce is no more heard in our streets.

Although there is one obvious and reassuring reply to this discouraging statement, it yet embodies so much of fact that we should be glad for the plain truth to be fairly looked at by every one concerned in the trade of Bombay, and all development of the industrial resources of Western India. . . . . .

It is true that the ryots who have sown cotton this season, especially in districts where the breadth under good food crops is inadequate, may suffer a certain amount of loss. But, even by the theory of a "Merchant," they will only lose the difference between the higher profit they might have gained by growing oil seeds or finer products, and that which they will get from their cotton crop; for we hold that even in the most adverse result, wherever good cotton has been sown, the ryot will have a working profit this year also. If the agricultural population and those immediately connected with them—the producers of this Presidency—are not only uninjured by having devoted their energies to one exportable product during the last three or four years, but are in a better position than ever to avail themselves of their largely increased facilities, there is then no cause for permanent despondency.

There is, we admit, pressing occasion for increasing the variety and the exportable value of our productions, as well as for improving our means of communication, which are still so poor, and also our shipping facilities. Our correspondent does good service in calling attention to the great need for new agricultural enterprise, and we know the practical turn he has tried to give to his remarks will not be lost sight of by those who have influence with our producers. The cry that has been raised at home for giving us a Minister of Agriculture and Commerce points to an urgent want, though the demand is somewhat misdirected. Our revenue Commissioners and Collectors are the real working Agricultural Department of India—at least in Western and Central India—and in this Presidency they have already effected far more than could ever have been done by any theoretical Minister of Agriculture on the continental fashion. We are much mistaken if the more intelligent and energetic amongst them are not already casting about for methods of increasing the elements of commercial success by multiplying the variety and raising the quality of other products besides cotton, though that great staple for a long time to come is sure to get the lion's share of attention. At the forthcoming Agricultural Shows at Broach and Akola, pains should be taken to have exhibited as many as possible of any plants which are likely to increase our export list of dyes, drugs, and fibres; and we doubt not the Chamber of Commerce will do what it can to aid in evoking the yet unappreciated treasures of Indian jungles and forests. This is one part of our task for the future, but a far more important and more pressing work is that of spreading our three months' rainfall over the whole year, and so rendering the food of the people secure, and enabling them to cultivate at will the most profitable class of products. As Colonel Strachey, the Commissioner for Irrigation, will shortly be due in this Presidency, we may hope that at last something will be done on an adequate scale to increase the productive power of the soil in Western India.—*Oct.* 12, 1867.

THE EASTERN OR THE WESTERN CAPITAL.

FAR be it from us to say anything unnecessarily to wound the *amour propre* of our Eastern contemporaries, or of Her Majesty's servants in the other Presidencies; but the Calcutta press is so determined to be angry and peevish about the arrangements made by our Commander-in-Chief for the Abyssinian Expedition that we are compelled to humour it to the top of its bent. . . . Sir Robert Napier, though originally a Bengal Engineer, is a Queen's commander, and being peculiarly well qualified, and conveniently located for carrying into effect Her Majesty's behests, what more natural and proper than that he should be entrusted with such duty, just as fully and implicitly as if he had been in China or at Malta, and operations had, in either case, to be undertaken against Japan or Egypt? Why should the attention of the Indian authorities be needlessly called away to affairs that only concern them remotely, when those affairs can be effectively attended to by an officer in the "smallest Presidency of India," acting in conjunction with the oft-times snubbed Local Government? It is true that in consequence of the expedition, certain internal arrangements of Indian troops will engage the attention of the Commander-in-Chief and that of the subordinate administrations; but this will only involve a few changes and dispositions similar to those of the ordinary reliefs. There was no occasion, on this account, for the whole framework of Indian military administration to be put under strain for what concerns political India only so much as it concerns Ceylon or Australia. We have at various times, and in divers shapes, set forth these matters of fact as inculcating a common-sense view of the Home Government's proceedings, but our humble efforts at conciliation are of no avail. Still our Bengal contemporaries aver that their clients are trampled upon, and—with a thinly veiled contemptuous lip-honour which, for the nonce, they accord to the Viceroy—they assert that the Supreme Government is humiliated, and that it has changed places with that of Bombay! Some ten days ago we published, as told by our Simla correspondent, the chief facts connected with this chance rivalry, and though his version necessarily put the case strongly on behalf of Eastern India and the Commander-in-Chief, the statement showed that there was really no case at all. And, notwithstanding the ominous hints muttered by the *Friend* as to certain papers having gone home by the mail that are intended to make Sir S. Northcote uncomfortable, we feel tolerably certain that Sir John Lawrence knows better than follow the querulous cue and "note of provinciality" sought to be forced upon him by a portion of the Calcutta press. . . . . .

There is one apparently serious assertion in this string of scolding on which we must remark in passing. Something is said about Bombay "as the smallest of the Presidencies, having to draw on the rest of India for supplies." We have already remarked on the ambiguous sense in which the *Friend* has used the term "resources"; but we must remind our Bengal fellow subjects that they are contributing to the Imperial revenues of India considerably *less* than their equitable proportion, while Bombay contributes annually to the national fund two millions sterling more, relatively, than do the population of Bengal. So if it were any question of handling or disbursing Indian funds, "the smallest of the Presidencies" (the people and the land) which is also the most productive financially, has the primary claim. . . . If we use the term "resources" in the sense of appliances needful for the purposes in hand, it will be found that Western India was so well supplied in the matter of steamers and transports, that a charge of needless improvidence may possibly, when Parliament meets, be brought against the Home Government. Already the pioneer party and advance brigade have gone, to be followed on the 23rd by the Belooches and other troops from Kurrachee; but there has not been the slightest difficulty in taking up or purchasing in this port a flotilla amply sufficient for this purpose. In all probability, the greater portion of the vessels now on the voyage to the African coast may be back in Bombay before the rest of the troops from this Presidency, with the Commander-in-Chief's staff, will be ready to leave. Even if this should not be the case, we imagine it would not be difficult again to take up in Bombay a sufficient number of steamers and transports. Where, then, was the necessity for the 18,000 tons of steam vessels and other transports taken up in such hot haste by the authorities at home, just as if Bombay were a decaying port without any local resources? Probably the War Office had consulted some retired merchant who had grown up in the notion that Calcutta and Lower Bengal are all India, and that nothing but a few cotton ships would be found at Bombay.—*Oct.* 17, 1867.

BOMBAY AND INDIA AT THE PARIS EXHIBITION.

THE Report from the "Special Commissioner for the Government of Bombay at the Universal Exhibition, Paris, 1867"—a fearful title we promise never to write out again—is a document which demands some little notice. Next to the "admirable catalogue" of Mr. Eshwuntrao K. Palekar, that gave to the Bombay contributions the only fair chance they appear to have had, and for which Dr. Birdwood would generously award the gratuity of Rs. 1,000, the Report itself is, for Bombay, about the best result of the Exhibition. It is by no means full of smooth sayings, nor is it crammed with compliments, or dressed off with conciliatory apologies. Far better than could be done in any holiday essay of that kind, it tells us the plain and unpleasant truth as to the poor figure which Western India was forced to cut in the vaunted "Exposition Universelle." It pushes aside some of the trappings of the imposing Napeolonic bazaar, and proves that, while they affect to manage things better in France, there are no shams so complete as those under the "copper captaincy." In justification of this conclusion, we have only to refer to the description given in this Report of the hopeless confusion and blundering that resulted from the peremptory political order that the jurors should make their return before the 1st of May, though the Exhibition was never fairly exhibited until the middle of June. What could possibly come of this, except such results as those trenchantly recorded by the Bombay Commissioner—that "the ignorance of some of the persons of their duties was incredible," that gentlemen of recognised authority on certain classes were docketted for other departments "of which they were as ignorant as any persons of their great knowledge could be." After all this imperious mismanagement, one can well believe that "it is impossible to exaggerate the falsehood of the silver and bronze jury [medals?] awards." In all probability, the honest, though ignorant juror who relegated his trust to Dr. Birdwood, who "commiserately awarded three gold medals, four silver medals, and three or four bronze medals," more nearly fulfilled his duty than did his brethren. Most of them might almost as well have distributed their awards under the guidance of a showman's wheel of fortune.

This picture of the shady side of the grand Exposition, this rubbing off the gilt from the Imperial toy, more nearly concerns the European history of the affair; but the question ought to be cleared up, as to whose was the fault that the whole of India had only allotted to it (according to this report) a narrow space represented by a triangle barely 25 feet wide at the base. This corner piece, again, was encroached upon by the Mauritius and West Indies; and seeing that the Bombay contributions were also put out of countenance by the "pearl and gold of India's kings, barbaric," from Cashmere and broad Hindostan, we can only conclude that we have to thank the catalogue and the Commissioner for the large amount of notice obtained by the inadequate collection sent from Western India. It would appear that the Government of India must have been at fault in omitting to make sufficiently early and peremptory demand for space. Or was it because no application was made at all by the Supreme Government, that the whole contributions of this continent had to be crammed into the space obtained only by dint of the "anxious and persistent" requests from the Commissioner and the President forwarded through the Bombay Government? It is pleasant to observe that Dr. Forbes Watson—himself formerly a Bombay medical officer—did all that could be done to remedy the apparent insuperable difficulty for want of elbow-room in a space shaped like an elbow. This is one of the things that must be thought of next time; but before the Committee is dissolved, we trust that its persevering President, the Hon. Mr. Foggo, will catch the man who sold the cotton trophy. Of course he will also take good care to reclaim from Calcutta the grand prize for cotton which, if it does not belong to Bombay, might as well be sent to Brazil or anywhere else.

Dr. Birdwood's Report is specially valuable as being a very effective finger-post for future exhibitors and committees. . . . The hint as to the absurdly high merchantable price of Cambay stones is worth consideration. Not long ago Dr. Birdwood, when called as an "expert" in a case in the High Court, proved that these agates are not "precious stones," seeing that in Guzerat they are little less plentiful than the Porebunder building stone itself. The *Builder* and other architectural authorities at home have long been calling for some suitable decorative adjunct for public buildings—a material that would not "take" the soil and dust of the London atmosphere. According to the Doctor's own

evidence, there is, two hundred miles north of Bombay, abundance of this excellent material, which, if arrangements could be made for cutting and polishing it on a large scale, might soon form a valuable addition to our export trade. Yet these agates seem to have been sent to Paris ticketed at the prices charged here by the poor peregrinating borahs, and without any intimation that they could be supplied in quantities like marble. But there is no limit to the development, both in variety and in extent, that yet awaits the export trade in Indian raw produce. With regard to local exhibitions as a direct means towards that expansion of our commercial resources, the remarks made by the Commissioner are worthy of practical attention by the Committee, and afterwards by the Chamber of Commerce. If we would take our proper place in the world's fairs, we must encourage local and provincial exhibitions, for by that means we shall bring to notice an immense variety of new industries, and reveal as commercial products numerous commodities now known only to the scientific world. We need not therefore ask excuse for again bringing into notice the following suggestive passage from Dr. Birdwood's Report :—

I think that now advantages of exhibitions are becoming better appreciated by the natives, and that they are beginning to recognise that Government does all it ought to do in assisting exhibitors by providing a responsible agency and the additional cost of freight. But they naturally require to be *stirred up, instructed, and encouraged,* and that by the same means which have been found so successful in Europe in encouraging industry and art, and which led at last to the realisation of International Exhibitions—namely, a regular succession of local, agricultural and horticultural shows, and exhibitions of manufactures and fine art. We ought every cold season to have a horticultural show in Bombay, every rains an agricultural show in the Deccan, Guzerat, and Southern Mahratta country in rotation, and every three months I would wish to see a bazaar held in the Town Hall of Bombay, of blackwood, and sandalwood carving inlaid work, Cambay stone work, and native cotton, hempen, and silk fabrics. Every few years also there ought to be a great Indian Exhibition held at some of the great seats of commerce or Government.

The Government of India, by making a liberal grant for the forthcoming Exhibition at the remote station of Akola, has shown that it only waits for intelligent and zealous local efforts in order to encourage this policy. The late ruler of the Central Provinces and now of the Berars is well able to look after his own territory, but we could wish his zeal in this direction were more generally imitated. The Revenue Commissioner of our Northern Division, Mr. A. Rogers, has already made great exertions towards the promised Broach Exhibition, and he has been zealously seconded by the principal Collectors in Guzerat. But we could wish that a little more trumpeting had been performed in anticipation of this project, for it is one that comprises all the elements of success, and only needs a little more active zeal being manifested in this city. In dwelling on this social and industrial movement mainly as it affects Western India, we would do so rather by way of friendly rivalry with all other parts of India. We should be very glad indeed to see our quiet but sure and steady brethren in the Madras Presidency take up the practical suggestions embodied in the quotation just given, for we are sure they would work them out well. And as to wealthy Bengal and the rich N.W. Provinces, with their vast level plains and facilities of communication, they would easily eclipse all the rest of India in the modern art of getting up exhibitions.—*Nov.* 20, 1867.

CULTURE OF COTTON AND OTHER EXPORTS.

THERE is always great uncertainty in India as to the agricultural facts of the day, and how prices and profits are distributed amongst the ryot, the dealer, and the exporting merchant. This haziness must continue to hang over all our current economic circumstances until we have either a Minister of Agriculture and Commerce, a Statistical Bureau for the whole of India, or some well-digested plan for each Presidency by which the Boards of Revenue, through the Collectors, shall gather, arrange, and publish monthly records of all the statistics that relate to changes in prices and the labour market, in production and commerce.* Neither of the two former institutions is likely to be set up; and though the plan just hinted at is perfectly feasible, there is

* Since the date when the above was written, an immense advance has been made in the collection and classification of Indian statistics, of which valuable function Dr. W. W. Hunter is at present the "Director-General." But there is still need for more accuracy and detail in respect of agricultural statistics.

no hope that any efforts will be made to draw up a scheme and prepare the few papers requisite for carrying it out.

Meantime we must pick up information as we can, and apply it partially, if it is impossible to do so completely. The question has often been asked during the last few months—will it pay the cultivators in Western India to continue to produce cotton now that it is likely to decline to the price of seven years ago? It is needless to ask, will the cotton trade be remunerative to our merchants? for—leaving aside the ups and downs of speculative trade—it is a matter of indifference to them what are the articles which they are called upon to transfer between Asia and Europe. They must obtain an average remunerative profit on their transactions, or they and the capital employed by them will leave our shores. The cultivators cannot and will not remove; for if there were no exportable product by which they could make "pots" of rupees, they would cultivate more grain, keep more cattle, and sit happily under their own plantain and palm trees. . . . Now, supposing the fact to be that the cultivation of seeds would pay ten or twenty per cent. better than that of all but the finest exotic cotton, what an enormous advantage it would be to every interest in this Presidency, and to the *Sircar* above all, for seeds to be substituted for cotton in all suitable situations! We conjecture—for no one can tell without making special investigation—that it might make a difference to this Presidency of ten to twenty millions in next year's returns. And yet neither the Chamber of Commerce, nor the Revenue Commissioners, nor the Government itself, has any chance to give out a distinct utterance on this simple but very important practical question. We have alluded to seeds as being, except opium and wool—both of which are merchandise rather than agricultural productions—the best known product in our list of exports, and one with which the ryots are already familiar.

But we have scarcely more than opened the catalogue of valuable productions which this Presidency is capable of yielding. It is probable the prices of dyes and drugs are much higher now than ten years ago; and if so, Bombay has not only failed to progress in this lucrative commerce, but has retrograded. In 1857-8 we exported a total of Rs. 17,10,000 under these designations; but in 1865-6 the total was only Rs. 14,12,000. Indigo, we presume, is included under the head of dyes, but the amount must be contemptibly small, compared wtih the facilities that exist for its production in this Presidency. We observe in a report from Major Prescott (to Mr. Rogers, the Revenue Commissioner) regarding the township of Neriad, there is a strange story concerning the cultivation of indigo. The soil in this township, and we should suppose a large portion of Guzerat, as Major Prescott says, "is peculiarly suited" to the plant. It was cultivated there very largely in the early part of this century, but a certain "Maharaj" denounced the poor "koonbies" for their dreadful iniquity in causing the death of millions of animalculæ which are destroyed at a certain stage in the preparation of the indigo plant. Is there not a lesson in this story? We would not have the Revenue Commissioner enter into controversy in order to upset the Buddhist theology, so that the *koonbies* (peasants) might again cultivate indigo in peace of mind; neither would we have them taught to purchase profit at the risk of impiety. But education of many kinds has made much progress in Guzerat since those days, and we cannot think it has rendered the cultivator any less, but more amenable to instruction in matters that legitimately relate to his interests. Major Prescott remarks that, in the same pergunna, tobacco will yield a profit of Rs. 300 per acre, and yet the total exports of that article from Bombay in 1865-6 only amounted to Rs. 3,75,000. We feel satisfied that if there were adequate pains taken to look into such matters, the articles in our list of exports might be largely multiplied, and that the value exported, not only of dyes and drugs, but of country silk, gums, spices, and other valuable products, might be very greatly enhanced. There is an inexhaustible mine yet to be worked in these directions in one part or other of this Presidency.—*Dec.* 2, 1867.

IMPERIAL OR CIVIC MUNICIPALITIES.

"THE age of great cities" was a current phrase twenty years ago; but we are yet far from having solved all the difficult problems which have accumulated around us with the rapid and still accelerating increase of town populations. Strenuous exertions have been made by energetic and far-seeing men to check the evil effects that seem almost

inseparable from the massing together of the poorer classes of society; and, though the organic question of drainage has been settled only to be re-opened again, irreversible progress has been made towards general agreement on the principle that the health of towns—that is, the vigorous life of all classes of citizens—must be maintained at any endurable cost. This principle has been advocated with a steady earnestness that, amidst all our pretensions and mistakes, does honour to the century. The impulse in this direction, the "blows for life" delivered by such men as Dr. Southwood Smith, Mr. Edwin Chadwin, Mr. Arthur Helps, and, perhaps, a dozen more scarcely less eminent in the cause of sanitation and municipal improvements, have undergone scarcely any abatement. Indeed, the sound doctrines of those men have often been discredited by the undue zeal of their disciples. . . . . .

Making the needful allowances for essential differences between Asia and Europe, between torrid and temperate climes, it is from the progress or blunders of great capitals, like London and Paris, that Bombay and Calcutta may best learn what to imitate and what to shun. In the English capital there is an extraordinary combination, though more often an antagonism between ancient and modern systems. Ward-motes and vestrymen struggle hardly for the old forms of popular parochial government, while that all but irresponsible body, the Metropolitan Board of Works, is familiarising the public with something like imperial control of civic works and local finance. In Paris we have seen a splendid municipal experiment carried out with all that logical completeness in which the French delight. The outward results—albeit plainly connected with political and dynastic designs—were dazzling to the beholder. All the world which worships success bowed before the genuis of Baron Haussmann; and have there not been Bombay Justices who sang his praises and bade us imitate the Napoleonic edile? Fortunately for us, perhaps, such essay was beyond our reach; though, had such a programme been possible, our Municipal Commissioner was the very man to carry it out. Whilst every one was admiring and wondering at what the city of Paris could do, the collapse came. After the debates in the French Chamber following the exposure by M. Thiers a few weeks ago, and the subsequent discussions in the press, the imperial and purely autocratic system of municipal government stands irremediably condemned both on social and economical grounds. . . . . .

Our readers need not quake at the thought of our here re-opening the much battered question of municipal taxation; neither do we now care to follow the various lessons taught by the disastrous failure of the grand imperial Municipality of Paris. We bring this forward amongst many other circumstances of the time to which we have only alluded, that all go to show how peculiarly opportune is the present period for promoting such an inquiry as that which it is proposed the Bombay Government should undertake. It is not denied that it has reference to questions that affect other communities than the million of souls in and about the island of Bombay. It is probable that a well chosen Commission, such as the Bench has asked for, would, after its session, be able to contribute some appreciable addition to the yet imperfect science of modern municipal administration. In this prospect of incidentally serving a permanent and in some sense an imperial purpose, we do not see any good reason for Sir Seymour Fitzgerald's Government declining to grant, or for the Justices to refrain from asking for a full and adequate inquiry into the affairs of the Municipality.—*April* 14, 1869.

TOPOGRAPHY OF BOMBAY ISLAND.

THIS irregularly-shaped island of Bombay, presenting as it does a curious variety of topographical peculiarities, and comprising within its limits the extremest extremes of valuable building land or garden-ground, and sterile soil or desolate foreshores, offers a somewhat intractable field for the work of the scientific surveyor. But however difficult the task, the necessity of its being carried out effectually has long been recognised as imperative. The rapidly growing value of land in the island, under the pressure of commercial necessities and the demand for house-room, has given enhanced importance in every way to the rights of property-holders, the claims of Government or the Municipality, and the disputes of rival holders and legatees. The exceeding intricacy and peculiarity of the various land tenures in force within the limits of the twenty or

more square miles contained within the united island, had long engaged the attention of thoughtful men with a view to their classification and revision in the interests of the modern population. The first complete sketch of this subject, the difficulties to be overcome, and objects to be accomplished, was, we believe, that drawn up by Mr. R. H. Showell, when Acting Collector of Bombay in 1860. Still the work was delayed, there being no adequate legal power to support even a thorough scientific and topographical survey, though a good deal was accomplished in 1865 by a party in connection with the Great Trigonometrical Survey of India. There was a legal power to measure for revenue purposes. The Revenue Survey Act (No. I. of 1865) is not made applicable to the Presidency town. The city surveys in Guzerat were conducted until last year under a resolution of Government; and in the Bill then passed to legalise and expedite those civic surveys, it is provided that "this Act does not apply to the city of Bombay." An autocratic Government, in a matter of such urgent public moment, would speedily have cut through all prescriptive and traditionary obstacles, and proceeded by way of decree and proclamation. Our rulers are eminently law-abiding, and would leave a province to the risk of inundation or drought, rather than move in advance of statute or prescribed regulation. Thus the survey and mapping out of the city and suburbs of Bombay—a measure essential as a basis of very much on which modern urban civilisation rests—might have had to be indefinitely postponed, were it not for incidental but effectual assistance afforded by Section 62 of that much-abused Act II. of 1868. Under that clause the Commissioner is empowered, after due notice given, "to enter and inspect, and measure" any "houses, buildings or lands" liable to municipal rates, as are all properties and beneficial tenancies in the island; and this power the Commissioner, of course, can delegate to another on his behalf.

Some time in 1865, soon after the Act came into operation, the Commissioner "appointed" Major Laughton, an officer experienced in the work of the General Revenue Survey, to make such measurements and observations as were needful for the due assessment of the municipal rates. In this instance the mathematical axiom is rendered with a difference. The less was made to comprise the greater. By means of the data acquired in course of measuring in order to the due assessment of municipal rates, Major Laughton is able to work out a complete civic survey, which is all but scientifically exact. The surveyor is not able here, as under the City Survey Act, and in the regular mofussil survey, to call upon the owner to define his boundaries; so that the Bombay maps are not necessarily so serviceable for the use of the courts and private claimants as are the survey sheets and sunnud maps in the cities of Guzerat. In a large majority of instances, a polite request from Major Laughton has sufficed to induce the owner voluntarily to point out the limits of his property. The absence of legal certainty as to the demarcations of individual properties does not detract much from the value of the work as a public survey. Every street, lane, and projecting portion of building, every tank and well, every water-supply and fire plug, and the very palm trees in large compounds, are distinctly delineated on the maps. In the densely-populated districts of the native town, where four or five yards of superficial area have to suffice for each individual, the survey has been closer and more elaborate than in any plot comprised within the work of the Ordnance surveys at home. . . . The surveyors had never been accustomed to such fine work as a city survey requires; so that altogether Major Laughton had a very perplexing and troublesome work to start with, but his assistants appear to have rapidly adapted themselves to their new work. Under his direction it has been accomplished by native agency, his party consisting of twenty Brahmin surveyors, a few native draughtsmen, and one or two European assistants. The advantage of having Brahmin surveyors will be obvious, as the entrance of any other race or caste into houses and compounds would have given rise to endless trouble. It would, indeed, have been impossible for the European assistants of the Trigonometrical Survey to measure private property in the native town, and the cost of that agency would have been much greater. Neither could that department have surveyed the inhabited portions of the island with the minuteness which characterises the operations of Major Laughton's survey. Under the Trigonometrical scheme the island would have been taken into the general map of India, and the salient points would have been (will be, we presume) accurately stowed in Colonel Walker's wonderful archives, but no mapping of streets or demarcation of private properties would have been attempted.

The cost of this useful, and in some sense invaluable, work will not be small—something over two lakhs of rupees. In the first year the outlay was about Rs. 32,000; since then it has been a little over Rs. 44,000 yearly, and that rate of expense is likely to continue until the close of 1870. During the first season the cost of the Trigonometrical party was Rs. 65,000, but this would probably be debited to the general Indian survey account. The Municipality contributes a total sum of Rs. 75,000 towards this survey. . . . . .

Let us here sum up what has been done. The great Trigonometrical Survey party, under Colonel Nasmyth, consisting of the usual European staff, commenced the triangulations of the island in November, 1865. That they completed, with about half the "traversing." Major Laughton's party commenced the detail work in October of the same year, and have to the present time surveyed about seventeen square miles, which represents about four-fifths of the whole quantity of work. The whole of the native town has been completed except Sonapore. Of outlying portions there remain to be surveyed the P. and O. dockyards and the village of Mazagon, the Elphinstone reclamations, Kumballa Hill, a part of Malabar Hill, and a portion of Girgaum. The measurement of the Fort has yet to be commenced, and also that of Colaba. Major Laughton, we observe, has proceeded to Europe on leave, and it has not been stated what officer will supply his place. Probably some experienced man may be drawn from the staff of the Trigonometrical Survey, and such an officer would be at home in the "contouring" and "hill sketching" that has yet to be done.—*June* 10, 1869.

II.—The Survey of Bombay Town and Island, commenced in November, 1865, and finished in November, 1872, is a great and valuable work well done. Already, when describing the splendid maps of the island which present the visible result of the surveyors' labour, we have in general terms explained the objects and results of the Survey. The papers now placed at the disposal of the press, more especially the report itself by Colonel G. A. Laughton, serve to throw a flood of light on the history and topography of our island, which are of interest to every one, while the investigations into, and decision upon, titles and tenures must compel the close attention of property-owners, conveyancers, and revenue officers. We cannot claim to speak of the strictly professional aspect of the work, or we might add, that the technical and scientific features of this conjoint city and field survey, comprising, as it does, an extraordinary variety of work, will attract the notice of engineers and surveyors who may have time and opportunity to trace it in detail, test its accuracy, and admire its execution. The resolution (which we print in another column) is very meagre in its remarks on the professional management of the undertaking; but, perhaps, it was thought by His Excellency in Council that the full and conclusive testimony on one side of a practical engineer like Mr. Ormiston, with large local knowledge, and, on the other, of a thoroughly scientific critic like Colonel Walker, R.E., comprised the utmost that could be said in appreciation and approval. . . . . .

We need scarcely remind the authorities that, in view of the financial operations to which the report and resolution point, everything is to be gained by popularising the line of research and reasoning which the Report opens up. Besides the Bombay Revenue Survey Officer, who has had by far the largest share of the work, it is necessary to mention one or two others who have borne an important part in its earlier stages. In 1864, Colonel (then Captain) W. Waddington examined the old maps of the island, made some preliminary inquiries into tenure, and reported. The Government of India was communicated with, and in 1866 it was agreed that the work should be commenced by a party of the Great Trigonometrical Survey Service, in charge of which the late Lieutenant-Colonel Nasmyth, R.E., was appointed. After his illness and untimely decease, this work was carried on by Major Haig, of the same service, who completed the triangulation of the island, with the computation of the traverse points, and about two-thirds of the main traverses. But the Bombay Revenue Survey party under Colonel Laughton had also commenced at the same time as the men of geodesy, whom they soon overtook, and overran with the theodolite, cross-staff, and measuring chain. On comparing the separate traverses of the two parties, it was found that the results were all but identical, and Government very wisely determined that the rest of the work should be done by the less expensive and more facile Revenue Survey establishment. . . . Here we should mention that after some preliminary

experiments on scales of ten feet to the mile, the scales finally adopted were 100 feet to one inch for the open country, and forty feet to one inch for the inhabited portions of the island.

As might be expected, this measuring up of all our coasts to the present high-water mark reveals enlarged boundaries. We have been accustomed to speak of Bombay Island as comprising rather more than eighteen square miles. According to the quotient which Colonel Laughton considers the most strictly correct of three which only slightly differ, we have now an area of 22·square miles, 105 acres, and 4,149 square yards. The increase, we should suppose, is more than half due to reclamations—encroachments on the sea, at how terrible a cost obtained our citizens can compute—and the rest must be put to the account of inadequate measurements in former times. . . . These tenures are shown as nine in number, reckoning each kind of "Batty" ground and "Toka" land separately. The most extensive of these classes of holdings are those under the "Pension and Tax" tenures, and comprise nearly one-third of the whole island, the greater portion of it being built upon. The origin of these terms, following older authorities, Colonel Laughton finds, respectively, in "*pencao*," a Portuguese word signifying sums as paid in liquidation and final satisfaction of claims for rental; and "tax" being the ten per cent. additional, levied by the East Indian Company on all ground rents in 1758, as some compensation for the "prodigious expense" incurred in building the Fort walls and other works of defence. The "Committee on Rents," a sort of Special Commission, which sat in 1837, was of opinion that "nothing short of some great emergency could justify any deviation from the existing rates" of this "Pension and Tax" land. Yet some slight advance was subsequently made; and Colonel Laughton considers that the right of Government to increase its ground rent is clearly implied, though much qualified by customary and prescriptive limitations. This reference to the tenures, though essentially a part of the subject, is a digression here, for it would be impossible in the compass of a paragraph to deal to the slightest advantage with so complicated and difficult a subject. It has been discussed and settled as far as possible in the exhaustive reports of Mr. Warden, Mr. Le Messurier, and Mr. R. H. Showell. . . . . .

There are several points in connection with Colonel Laughton's Report on which we should like to have said more. Notably amongst these is the very high testimony which he accords to the facility with which his native assistants took to the work of city surveying, the rapid progress they made in the more scientific portion of their task, and the excellent temper with which they met the numberless difficulties that had to be contended with in the busy streets and crowded lanes of the city; but the subject is one worthy of separate notice. In conclusion, we inquire, where has this report been during the last eight months? Who, or what department, is to blame for its being so long withheld from the public? . . . . . .—*July* 21, 1873.

THE FUTILE AND HATEFUL C.D.A.

OUR Health Officer's Quarterly Report, being the one for the first quarter of 1871, is out in good time, and, as usual, contains much that is of interest to the dwellers in this city. There have been vague rumours, and something more, of epidemics being in our midst; and though somehow Bombay never is fairly hit by these threatenings, it is satisfactory to turn to the pages of this Sanitary Gazette, where we may be sure Dr. Hewlett will tell us the worst. It is his duty to do so; and if to laymen he may seem to magnify his office a little, he will readily be forgiven. In certain divisions of this island cholera is always liable to appear, and during the last quarter there has been some little excess in the total mortality from that cause. This has not been serious, only 146 deaths in all, which is only one-fifth of the average for twenty years past; but it is 132 more than in the first quarter of 1870. . . . . .

But it is just the point and burden of his report that he finds himself quite unable to meet small-pox by special defensive strategy. He laments that an Act to make vaccination compulsory "seems as far off as ever," and until that be done, he considers that "the mortuary returns must still continue to be sullied with deaths from preventible disease." There are two other barricades which the Health Officer would erect if he could—an isolated special hospital, and quarantine laws. . . . . .

No doubt, if the sites were granted, "that eternal want of pence which pesters public men" would still interpose an obstacle to the establishment of the properly isolated

hospital on Belvidere; but cannot the Health Officer discover any possible "savings"? It strikes us there is one gross extravagance brought within the purview of his report, but which he passes over without note or comment. He says: "The Superintendent of the Contagious Diseases Act has kindly furnished me with the following returns," which are given. A more complete declaration of utter failure was never issued; and on referring back through the quarterly reports of the Health Officer, it is easy to see what a waste the expenditure on this institution is, compared with the good that might be effected by the same amount if applied, as Dr. Hewlett suggests, to the prevention of diseases which are involuntarily acquired. . . . . .

If Government do anything in the matter at all, they ought to put an entire stop to this farce of the C.D.A. Possibly, if a more experienced officer had been appointed to work this peculiarly difficult experiment, it might have dragged on for a quarter or two longer with some show of work effected; but we believe the detailed history of this extravagant organisation would prove, still more forcibly than the bare figures we have given, that it is vain to attempt to grapple with the evil thing in this wide open city. Possibly the Health Officer's establishment might, if duly empowered, do something to curtail the mischief; but after this utter breakdown of the separate scheme—lavishly supported as it has been by the ratepayers' funds—no one can be very sanguine on the point. Reference has just been made as to what the Local Government might do, or refrain from doing, with respect to municipal expenditure; but until the Justices resign *en masse*, as they ought to have done two years since, we do not anticipate that the Executive will either care or find time to look into the civic affairs of Bombay.—*April* 26, 1871.

BREAKDOWN OF THE BOMBAY MUNICIPALITY.

FOR nearly two years past the Bench of Justices has done little or nothing more than fulfil the functions of a record committee; and this duty it has performed fitfully and carelessly. This is not so much, if at all, the fault of "their Worships," as "a Stranger," who, in our columns, has tried to follow out the history of the new Corporation, sometimes seems to imply. Up to the close of 1867, or a little later, a fair proportion of the resident members of the Bench struggled manfully against the odds which fate, the heavy demands of modern conservancy, and Act II. of 1865 had piled up against them. As it is, the hopeless contest has long since left them so disunited and apathetic, that if the "crisis" now brought to their notice were twice as serious as it is, or the "deficit" were thrice as formidable, they could do little else but register the proposals of our able Commissioner and his friends on the Finance Committee. . . . . .

It is vain to hope for very extensive retrenchment under the present system. If the Justices were as jealous as they are apathetic, they could do little to help themselves under the statute in virtue of which they sit. . . . . .

Here are a dozen officers receiving an average of Rs. 1,332 per month; but of these four, whose salaries are *fixed by the* Act, receive an average of Rs. 2,125 per month. The assessment and collection departments appear to cost a lakh besides; and the fixed irremovable charge for "interest and sinking funds," which must in great measure be attributed to the present system, is over three lakhs. In fact, it is utterly impossible, while the present *régime* is maintained for the city, to get from under its difficulties. . . . . .

Altogether, then, we do not see that much can be gained by troubling the Legislative Council to repeal the drainage section; while the little fuss that would be made about any such perfunctory performance, might be pleaded as an excuse by the Executive for yet longer deferring the evil day, that must come at last, when the whole Act will be swept away, and the municipal constitution entirely remodelled. Instead of pottering about the drainage contribution, the measure plainly required is the suspension of the unworkable constitution, and the supersession of the present Municipal Executive by a special Commission. But the Bench will never find courage to ask for this, if "their Worships" sit until Doomsday.—*May* 8, 1871.

THE TRUE REFORMER.—DUST IN THE EYES.

II.—There is an old country proverb at home which runs—"A peck of March dust is worth a king's ransom." The agricultural doctrine of which this is a terse popular expression, has no significance in these climes; but for a special local purpose we may

paraphrase the saying somewhat in this fashion—"A bushel of May dust is the best municipal reformer." As Mr. Disraeli sententiously remarked during the Church debate the other day, "We are governed more by rhetoric than logic." Our local orators, both Native and European, have inveighed against excessive municipal expenditure, and complained of its comparatively small results; committees of the Corporation and of the Legislative Council have laid bare the particulars of our civic waste and impecuniosity; the Supreme and Bombay Legislatures have passed special laws by which a large part of our civic revenues have been put in pawn; both the English journals and all the Native papers have explained the causes of our Corporation's troubles, and pointed out the dire consequences of overrunning the municipal constable. But all these circumstances have been powerless to effect any change; the ratepayers have been divided and hopeless; and, the Bombay Government being utterly indifferent in the matter, it has seemed to be tacitly understood that the Municipal Executive, under whom the city's financial downward course has been so steady and rapid, is to have another three years' lease of irresponsible power granted to it, so that the city might go on as before under the modern high pressure system. Such was the situation when, under the exigency of a new financial crisis—this time mainly forced on the city from without—the Commissioner, pushed a little by the Finance Committee, set about severe reductions, to the dismay of the Health Officer, and with an evident determination to let "their Worships" and the public personally feel what retrenchment means. And this policy has been felt in the tenderest part of the human organism—the eye. That is, it has been felt by the more closely-worked and uninfluential sections of the community who are compelled to remain in the island, whilst the more fortunate and powerful portion of society who in the merry month of May congregate at Matheran and Mahableshwar have escaped the benefit of the recent practical demonstration in municipal economy. There has, however, been quite sufficient of "the public" left in Bombay to permit of the new remedy working the desired effect. Men who for months past have patiently endured all the bumps and thumps which the "cuppy" and "knobby" state of our roads can inflict, who heard with comparative indifference that extensive repairs were going on at Vehar, who deemed the Bench a mere debating society, and who noticed without a qualm the monthly intimation that the Commissioner had paid over the enormous portions of our revenue hypothecated to the State creditor, have been suddenly moved to municipal zeal by getting a little dust in their eyes and throat. . . . The most palpable result of losing the cattle power has been that the streets and broad roads on the Esplanade have not been watered; hence, as we have intimated, the lieges' eyes have been filled with dust. But "see how unreasonable men are," as the Commissioner exclaims: "you have been clamouring for retrenchment, and immediately the luxury of watering the roads is stopped in consequence of such retrenchment, you complain of me worse than ever!" More illogical still, whilst shouting and stamping because of this plague known as retrenchment in the eyes, the Justices and the general body of ratepayers are more unitedly disposed than ever before to denounce the costliness of our municipal system, and to demand a thorough change in the whole of our civic administration.

It would not be difficult, if it were needful, to trace the other causes, besides the surface one of dust, which have concurred to promote in our very incohesive community an unusually general desire for long delayed and much needed municipal reform. This present temper of the public mind acquires especial significance from the circumstance that it is just now, after protracted delays, that the papers relating to the reconstitution of the Bench have been issued to the public. As it has turned out, these reports and minutes could not have been issued at any more favourable juncture since January, 1869, when the Bench, in appealing to Government on the motion of Mr. Currey, confessed that it had exhausted its powers for dealing with municipal affairs and controlling municipal expenditure. In these days we are constantly reminded that in the ordinary work of administration, finance is everything; and the minutes now issued under Mr. Maxwell's name will be tested mainly in the light of that maxim. It is mainly in this respect that the Commissioner's own minute—which may best be regarded as a "dissent"—stands out from, and in opposition to, the rest. We might make some allowance in this respect, because of the date of Mr. Crawford's paper, but in the covering letter—though that is dated August last—he must be understood to speak his present sentiments. He is the only representative of the autocratic policy of Mr. Cassel's Act of 1865. He thinks it

"essential that the principle of personal responsibility should be maintained"—a principle which, as we have seen, has in effect permitted Mr. Crawford the greatest freedom from control that the most ambitious public man could desire, and has attenuated all responsibility so completely that we only recognize it on going back to the constitution of the Bench, for which, as the Commissioner aptly remarks, "the Government has of course always been responsible." . . . . . .

By the publication of these minutes, the Bombay Executive is now left without any further excuse for its long-continued neglect of the municipal affairs of this city. More than two years ago the responsibility for investigation and action was fairly placed on His Excellency in Council. An attempt was made in March, 1869, to evade that responsibility by a note from the Chief Secretary to gain time; and when, a month later, that responsibility was again pressed home, a desperate but ingenious and skilful effort was made, in a letter from an able Acting Secretary, to shuffle off the load; but there it remains to this day, having become somewhat more ponderous meanwhile. Sir Seymour Fitzgerald is fortunate in that the opportunity he put aside in 1869 of rectifying certain notable mistakes of his predecessor, and of founding an economical and therefore durable municipality, is now once more renewed. Let him now accept the task voluntarily and with statesmanlike readiness, or it may be forced upon him.—*June* 5, 1871.

III.—Those who think that a considerable proportion of the resident "Justices for the Town and Island of Bombay" have long since done all that could fairly be expected of them in the unsuccessful attempt to make Act II. of 1865 subservient to the art of self-government, cannot with any decency be characterised as "impatient." It is a very trite remark to say "that no man or community can hope to acquire it (the art of self-government) without long and severe labour and patient endurance of many annoyances and mishaps." We should not have thought it possible for any one but an Under-Secretary to question for a moment that, during the six years our new Corporation has been at work, a large proportion of its members have loyally paid the price of "long and severe labour and patient endurance." But what has been gained by it? They would have been amply compensated for their pains if any definite step had been made towards self-government, even in a modified sense of that term. Under the pressure of immediate necessity, caused mainly by a grave mistake of the Local Government, considerable reductions have been hastily decided upon; but, as we showed on Monday, these have been made very unevenly, and the enforced arrangement in no way exemplifies healthy and natural corporate action. The longer the present municipal system is worked, the further it takes the city away from any chance of naturally reaching a position in which confidence can be felt and good work can be done. It is evident to every one who has paid continuous attention to our municipal history, and there is now no hope except in an entirely fresh start. . . . . .

Well, let the history of the Municipality be followed from the date of that report, and it will be seen that, in spite of the clear *exposé* of the unfavourable financial position then attained, and the sound proposals made by the Committee towards reform, the downward process went on until, at the end of the next year, the Legislative Council had to pull up the runaway coach—with a loan and bill of hypothecation. After that, the Town Duties plaister was applied, and wonderfully soothing that has been; but it also has lost its virtue, and the Bench again finds itself in the low valley of financial difficulty.

It is to be hoped that the energy and research which Mr. Anstey has brought to bear on the single and peculiar questions in the Police section (6) of the Act, will not be allowed to divert the Bench from the broader issues before it. Notwithstanding the weight of that eminent counsel's opinion, the Justices would be ill-advised to spend their strength in litigation, when they can gain their point by business-like passive resistance. But this question of the Police is only one of a dozen more, in which, if the Bench has any self-respect left, it must soon take a determined stand. By far the most effective strategy would be to leave the field for a while to the Local Government, which in municipal affairs has hitherto signalised itself solely by the exercise of "masterly inactivity."—*June* 14, 1871.

IV.—By its continuous disregard of municipal affairs, and its policy of letting them "drift," the Bombay Government has allowed the Bench of Justices to come to a pretty pass. That institution has long enjoyed a not undeserved reputation as a "debating society"—with the Commissioner as representing the extreme right, and Mr. Nowrojee Furdoonjee as the extreme left; and now, at one bound, it is about to place itself in the position of a supplementary Legislative Council. And why not, indeed? The Bench has long since found itself powerless to attend to its proper business. All its attempts to scrutinise and control expenditure past, present, and to come, have been effectually thwarted and utterly baffled. Its appeals to Jupiter—not preferred until after the Justices had done their best—have been not disregarded, but derided. So why should not "their Worships" set about their own reconstitution, and proceed to a little amateur legislation on their own account? The mountain will not budge, so the movement must come from the other side. . . .

The promoters of this movement have abstained from giving the slightest personal complexion to it; and if anything could do that, it would be our daily contemporary's chivalrous declaration that, "if Government and the ratepayers were to search the Presidency round, they would not find a better man for such a post than Mr. Crawford." Much might be said in support of this estimate of the Commissioner—up to a certain date, and with one big exception. We have, for instance, before us now, the letter from the Commissioner in November, 1865, in which he replied to the resolution of the Bench referring back to him the Budget for 1866. There was at that time, and during the most of the first three years' tenure of office, much to admire in Mr. Crawford's proceedings as he strove, in conjunction with Dr. Hewlett, to rescue the city from the consequences of its unswept and untended condition. We supported him heartily at that time, and often urged all that could be said on behalf of sanitation and the principles of modern conservancy. We do not say that public health and civic improvements vital to the well-being of the masses can, like gold, be bought too dear; but it is quite possible for a city to pay much more for these great objects than is needful to secure them. Speaking generally, it may be said that by the time the Commissioner's renewal of office was due, it had become quite apparent that Bombay had been overborne by the new system, and that its magnificent municipal outlay, though disposed as much as possible to strike the eye, had failed to secure adequate permanent results. And since the close of 1867, the increase of indebtedness, with the corresponding deficiency in results, has become patent to every one. All this is not to be placed to the debit of the Commissioner. It is the system of 1865, which is too grand and too costly. . . . . .

Mr. Crawford has wonderful adaptability about him, and it is within the range of possibility that he might, under a new constitution, fit in both as Commissioner and executive conservancy officer; but how can we spare Dr. Hewlett? The worst thing we wish Mr. Crawford would be to see him provided for in some fertile Collectorate, now slumbering under the quiet supervision of some Civilian of the olden time. We should be willing to wink at a few steps of supersession, so as to have opportunity to witness the transformation that might come over such a province after two or three years of Mr. Crawford's energy and strong common sense had been expended in its districts.—*June* 23, 1871.

V.—In referring to the subject to be taken up at the Municipal Meeting to-day, we can only repeat in other words many things that have been said over and over again in these columns and elsewhere. Now that every one is stirred up to take a lively interest in civic polity and finance, it may seem somewhat ungracious to remark that we cannot see a prospect of much good arising directly from debates amid tumultuous gatherings in the durbar room. But it was long since demonstrated—and this is perhaps the most emphatic condemnation of the present municipal constitution—that the Bench is powerless to conduct its own proper business, and it therefore must be utterly helpless to reform itself. Under the present constitution of the Corporation, it would be quite possible to get a resolution passed to the effect—"that on the whole Act II. has worked admirably, and that as an executive officer the present Commissioner is above price." Just now, when a little daylight—though not nearly sufficient—has been let into our municipal chaos, it would be difficult even for the mofussilites to agree to a proposition of that sort; but some very similar to it have at one time or other been snatched from a complacent

majority. Every one now admits, at last, that the patient camel is overborne; and, probably, if the Bench passes anything at all, it will express its opinion to that effect more or less emphatically. . . . . .

Some correspondent of ours yesterday reproduced the old fallacy about the extravagance of the municipal executive having been permitted and condoned by the negligence of the Justices. This is a fine argument for the too facile pen of an Under-Secretary, but we have long since shown its inapplicability, not to say groundlessness. It is one that has occasionally been put forward by new members of the Bench, who know nothing of the immense efforts that have been made by first one and then another section of the Justices in order to secure the due fulfilment of the controlling and revising clauses of the Act. . . . And any one who turns to that noble and lumbersome quarto of 237 paras., with a host of appendices, must admit that so far as the clear perception of their position and duties by the Justices, and their resolves to abide thereby, are concerned, the Municipality would have been to-day in a position the reverse of that it now occupies if those resolves could have had fair play. Why has this not been the case? Because the composition of the Bench allows of one section being set off against another, and the whole being placed utterly at the mercy of the autocratic Commissioner provided by the Act, and who has been maintained in his position by the Bombay Government in spite of anything the Justices could do or say to the contrary. . . . . .

In a small community like this—small in respect of its European residents—important public questions are sometimes placed on false issues through weak talk in deprecation of "personalities," talk which is in itself most gratuitously personal. If a majority of the resident Justices consider that the present Municipal Commissioner has long since shown that, because of his spending qualities, he is quite unsuitable for the post he holds, they have not only every right to express that opinion in a formal way, but they are bound to do so. That issue, however, is not before the meeting of to-day; it is the system, not the man, which is to be condemned. Again; if we are to refer to this foible of personalities under another aspect, we may remember that in this city there have been times when a public movement or a public work would receive less or more of favour because this or that merchant or firm happened to be prominent in connection with it. One may hope that the time has gone by for any display of this sort of "lad-like" humour. If any efforts to move the heterogeneous elements which compose the Bench can be of service, any respectable citizen who essays to arouse and concentrate those efforts deserves the thanks of the whole community. Once more as to this phantom of personalities: it has always been seen and admitted that the new Corporation has had to work its way under heavy disadvantages imposed on it from without. For three years it had struggled on under the notion that the city was inevitably committed to an outlay of a million sterling for a huge sewerage scheme. Happily, that bug-bear has taken itself off by this time. The commercial depression and excitement to which Bombay has been alternately subject during the last six years, have been eminently unfavourable for the growth and maintenance of local public spirit and general municipal zeal. Again, there is the huge Vehar millstone of nearly 40 lakhs with which the new Corporation was started in business, and which still burdens all its financial prospects. Full allowance is made for these extraneous or unavoidable obstacles to municipal progress and solvency; but over and above all these, there has also been long continued and flagrant mismanagement, for which the Act of 1865 has afforded all but unlimited scope. Under this incubus the city has long groaned unavailingly, but another effort is now being made to shake it off. We must wish it success.—*June* 30, 1871.

THE NATURAL OUTLET OF THE MALABAR COAST.

MERCHANTS in Bombay will not be much grieved to notice that efforts are being made to raise Fleetwood, the Lancashire seaport, into a position that may enable it to compete with the Mersey, and abate the pretensions of proud Liverpool. There is not, indeed, much likelihood that the total trade of that splendid estuary will ever decline from the high-water mark it has already reached; but Fleetwood may provide for that natural increase of commerce, and especially of the cotton trade, which, if crowded into the Mersey, must become subject to increasing charges, delays, and inconvenience of all

kinds. There is some little analogy between the relations of Fleetwood to Liverpool and those of Carwar to Bombay, but there are also essential differences; and when these similarities and contrasts are duly taken into account there is much to cause regret that there should be any risk of our subsidiary port being neglected or sacrificed. Fleetwood may, to some extent, be a rival to Liverpool in checking the otherwise irrepressible cotton trade on the Mersey, and new financial interests may grow up on the sea-coast. This could never be the case with Carwar as regards Bombay, any more than Port Canning, if prosperous, could reduce the existing trade of Calcutta. This port on the Malabar coast, if once connected with the interior, would, by means of cheap coasting traffic, considerably feed both the markets and export trade of Bombay; while, by inexpensive railway communication tapping Mysore on the south-east, the Madras territory and Nizamate on the north-east, the new port would largely add to our general commerce, both coastwise and foreign. On the other hand, most of this newly-developed trade of the southern Deccan, and all the European commerce inward and outward through the new port, would always remain dependent on Bombay. To use a modern term, convenient though not etymologically correct, the trade of Carwar, though much of it a clear addition to the commerce of India, would always be "financed" from Bombay. This city has, therefore, the strongest interest in desiring the speedy prosecution of the most promising plan for opening another gate for the commerce of Western and Southern India. . . . . .

Not realising how much more valuable the agricultural products of those fertile southern districts would become if cheap means of communication with the outer world were provided for them, our remote directors-general are forgetting that the new port is the root of the whole project, and seem inclined to fall back on some paltry scheme for a mere local railway above the Ghaut. We do not think that anything so aimless or futile could be sanctioned; but possibly it may be proposed, by way of excuse for shelving the complete and comprehensive project which would give a new outlet for the products of immense and fertile districts in south-western India.* The one great consideration that weights the decision in favour of the S.M.C. Railway is, that it would afford ready access to the sea for a large and steadily increasing quantity of export products—cotton, and many valuable articles of much smaller bulk for Europe, grain of all kinds for the Bombay markets. No one understands better than Colonel Strachey that this "through traffic" could not afford the several hundred miles of railway rates, including Ghaut charges, that it would have to encounter in being dragged to Poona and Bombay. . . . If the merchants of Bombay have not public spirit enough to promote a project of this kind, and if the central Public Works Secretariat is too remote to form an accurate estimate of its conditions, it is not for us to give ourselves much concern in the matter. . . . . —*March* 22, 1871.

THE SUEZ CANAL AND UNFAIR RAILWAY RATES.

THE figures quoted the other day by Mr. Bullen Smith, Chairman of the Calcutta Chamber of Commerce, showing the quantities of "piece goods"—that is, cotton and other British textile manufactures—brought through the Suez Canal, are conclusive as to the success of that means of communication for all the lighter and more valuable imports into India. During the first four months of this year, out of 202,000,000 yards of unprinted calicoes, and 4,500,000 pounds of yarn, imported into Calcutta, 183,000,000 yards and 3,500,000 pounds came through the Egyptian channel. Mr. Smith did not quote the corresponding figures of Bombay imports for the same period, but he was good enough to mention that 96 per cent. of all our plain cotton goods have come through the Canal. But the Calcutta Chairman's object was not merely to show the supremacy of the Canal over the Cape route. He desired to comfort his fellow merchants with the assurance that, notwithstanding the Canal, they could hold their own import trade with the regions so awkwardly designated the North-west Provinces. As the sea voyage from Suez to Calcutta is two-fifths longer than to Bombay, it was not unlikely to suppose that

* Thanks to the obstinacy of the then Secretary of State (Duke of Argyll), the project to open the natural outlet from the Southern Deccan was frustrated; and, instead of that complete plan, a roundabout and costly scheme is now being carried out to adopt the port of Marmagao, in Portuguese territory, instead of our own port of Carwar, though this is much nearer our fertile provinces in British territory.

this western port would have a very considerable advantage over the eastern one, situate as that is fifty miles from the sea, and on a river of troublesome, if not dangerous, navigation. . . . There must be some other explanation of the exclusion of Bombay imports from the N.W. Provinces than that surface one glanced at by Mr. Bullen Smith. The artificial cause of that exclusion is sufficiently well known amongst merchants here, and we need not go into the details of the subject now. The obstacle is not one of distance, time, or natural cost. It is one of railway policy alone, though the line which runs from Calcutta to Allahabad is just as much part of the general Indian State system, just as much a public and as little of a private institution, as the one from Bombay to Jubbulpore. One of these lines charges too little on its down traffic, or the other charges too much, or perhaps both err, and in contrary directions infringe the implied contract with the public which the guarantee carries with it. We are not about to discuss the merits of the policy followed by each railway respectively, but merely wish to make plain that, so far as the import trade is concerned, the seaboard advantages of Bombay are nullified by the action of the two railways—the G.I.P. being apparently desirous of throwing as much through traffic into the hands of the East India Railway as possible. . . . One step further in this absurdity: Jubbulpore, though little over 600 miles from Bombay, is nearly 850 miles from Calcutta, but a truck of Manchester goods may be brought from that port to the capital of the Central Provinces for nearly Rs. 100 less than the same quantity of merchandise can be sent thither from Bombay. Under these circumstances, there is not a little satire in Mr. Bullen Smith's remark, that "it is not surprising" the quantity of piece goods sent from Bombay up to Hindustan is "quite inappreciable." How long this preposterous state of affairs is likely to continue we would not like to guess. The Bombay merchants—who are at the same time resting supinely under one of the most monstrous financial impositions ever threatened to be laid on a port—are a long-suffering race; but as it is more than a year since this railway embargo was referred to in our columns, and otherwise publicly denounced, we may suppose it is being well looked into. . . . . .—*June* 7, 1871.

PORT TRUST CHARGES ON TRADE.

BEFORE the Bombay Port Trust Scheme can be transformed into any rational working plan, or, indeed, before it assumes any definite shape at all, we are likely to have some extraordinary illustrations in the curious and difficult art of Anglo-Indian financial administration. At present it is only a vague and monstrous taxing scheme, which, with remarkably well-sustained persistency, our local administrators are forcing through ell by ell, as if they were bent on demonstrating how oppressive and absurd are the orders forced upon them by the central financial bureau. The present head of that institution is not plagued as other administrators are, who are weak enough to consider that there must be a certain fitness in the means to every end that is worthy to be obtained. Sir Richard in this Port Trust business appears to have been backed by another Richard—then and now also a power behind the Viceregal throne—but the method adopted is pre-eminently that of the Finance Department working under blind subservience to orders from home. This policy has been obsequiously followed at Calcutta and Simla during the last three years, and we are sorry to see the Government of Sir Seymour Fitzgerald is giving support to it without open protest. Verily, decentralisation and provincial independence is a dream!

After the Elphinstone Company's property was purchased by the State—a transaction which the public innocently thought would be left to rest on its own basis and results—the Finance Department saw its opportunity for doing a clever sum in simple addition and subtraction. They called upon the P.W.D. in this Presidency, asking them to put down a list of every conceivable outlay connected with the harbour or foreshore, whether contributed by imperial, special, or *port* funds. Whilst this plot against the commerce of Bombay was being secretly concocted, we do not think the slightest reference was made on the subject either to the existing Harbour Board or to the Chamber of Commerce. But this course is according to one of the most favourite maxims of Anglo-Indian financial administration—"Scarborough warning; a word and blow, but the blow first." . . . .

Sir Seymour Fitzgerald, in course of the debate on Act v. of last year, floored the representatives of wharf companies—who, as merchants, demurred to voting a practically

unlimited rate of public bunder fees—with the remark, that the first thing a private pier or wharf company applies for is a concession of the right to charge fees and tolls on goods and passengers in transit. It might be retorted, and probably was, that, whereas Government always reserves a veto over the maximum rates chargeable by private companies, there is no one to put a veto on any toll or tax the all-powerful *Sircar* may think fit to levy; and if, in addition to that, the great wharfinger is to be allowed to impose his rates on all bunders in the island, the Finance Department might as well set about printing a few reams of Government notes for the purchase of what is not yet its own. And supposing such a course could be pursued, where would it end? The official but unpublished Port Fund account is already surcharged to such an extent, that if the average rate of cost of the whole harbour estate were to be somewhat reduced by acquiring all the remaining private bunders at the price actually spent on them, the shipping trade of Bombay would never produce the revenue needful to meet the interest charges. As it is, there are six lakhs at least (£60,000 per annum) to be added by extra fees to the present receipts of the port before the interest on the present scheme can be met. How this is to be done, no one can tell; for, if up go the port charges, down go the trade and tonnage. . . . . .

It is now the turn of the merchants; native firms as well as European should at once organise a determined opposition to a scheme which, if carried out, will cripple the trade of Bombay and inflict incalculable injury on its commercial interests. No mere modifications will make it even tolerable. It is drawn up, as we remarked before, like a mere addition sum, and might have been produced by a calculating machine. There is no principle in the arrangement. The purchase of the Elphinstone property was one question; that of settling what outlay is proper to be charged against the harbour funds is another, and quite a different one. The fifty or sixty lakhs cost of the land reclaimed for the G.I.P. Railway station has as much, but no more, right to be charged against the harbour revenues of Bombay than has that of the twice-built Mhow-ke-Mulla viaduct, or any other work on the Bhore Ghaut. And the Land Estate of the Elphinstone Company ought to have been made over to the Collector of Bombay for him to make the best of it.—*June* 19, 1871.

ONE LIFT FROM SHIP TO SHORE.

CAPTAIN COOK, that most practical of navigators, occasionally made mistakes, and one of them has become historical. One fine day, when his ship was sailing up the eastern shore of the territory afterwards named by him New South Wales, on "going below" to dine, he desired, as usual, that he should at once be called if any notable change in the aspect or direction of the coast-line came into view. Presently the word was passed down to him that the look-out man saw a harbour. Cook was on deck in a trice, scrutinising the coast through his glass, but could make nothing of the slight indentation visible from the poop. Turning to one of his officers and pointing up to the "A.B." at the masthead, he asked—"What's that fellow's name?" "Jackson, sir," was the reply. "Oh, then," said Cook, with the utmost scorn for the poor tar, as he returned to his interrupted meal, "put down Port Jackson, a harbour for boats." As we all know, under subsequent exploration the Port Jackson, despised of the great navigator, developed into Sydney Cove, one of the deepest, most readily accessible, and securest harbours that sea-going ships find in their voyage round the world. We are not about to compare the natural harbours of Sydney and Bombay, but will just glance at the actual condition of each as available for shipping, for this only is of any consequence to commerce. As to Sydney, it is sufficient to quote this succinct description of its harbour facilities: "Ships come close up to the wharves and stores of the town, their cargoes being hoisted from the ship's hold into the warehouses." But the visitor to this island finds at once that in this year of grace 1871, the port of Bombay, in spite of its great natural advantages, is still in the same category as that in which Cook too hastily classed Port Jackson—"a harbour for boats." Nothing is stronger than its weakest part, and the most important link of a chain cable is the last. So with Bombay harbour; as regards the proper conditions of a modern port, its score or so square miles of sheltered anchorage are of no account until sea-going vessels can be brought alongside to discharge or receive their cargoes. . . . . .

This fact would be very humiliating to our citizens and merchants if they had not over and over again shown fair willingness, and made several attempts, to abolish this reproach. It is not necessary to recapitulate the various reasons why this has not yet been accomplished. Neither are we about to balance the respective claims of piers and wet docks. Either of those contrivances would suffice for us, and for the trade. If either of them were constructed, the stigma would be taken away that this is but "a harbour for boats." What we have to remind the public of just now is, that an artificial obstacle has been thrown up, which virtually forbids all further attempts to bridge over that gap between hatchway and shore of which we have spoken. This has been done by the Government of India as projector and creditor-capitalist, followed obsequiously by the Bombay Government as executive engineer and traffic manager. We refer, first, to the preposterous scheme of the Supreme Government, by which the port is to be saddled with a capital debt approaching three millions sterling; and, second, to the Act passed last Session at Poona, whereby the Bombay Government entered into trade as wharfingers, and resolved to levy tolls and fees on every person, parcel, and package passing over not only their own existing wharves and piers, but over any other they or private capitalists and traders may construct. It is very likely that in passing Act v. of 1870 the Bombay Legislature superseded the behests of the Imperial Parliament. That question we leave to the learned doctors of the British Constitution. It is sufficient for us to know that if that Act be carried out with all its inexorable pressure, it will perpetuate the reproach that Bombay is only "a harbour for boats." . . . . . .

It is solely because such an impossible capital account has been drawn up for the long projected but necessarily abortive Port Trust, that Bombay is condemned to remain a mere "harbour for boats." No doubt the Chamber of Commerce is delving away underground about this depressing business; but it is high time appeal should be fairly made to the public. One member of the Chamber's Committee some time since drew up a useful minute on the subject; but if he could have felt that he was at liberty to deal freely with it, like any open public question, the tone and terms of his argument would have been much more decisive. At any rate, it is quite certain that neither the Chamber nor the city can long endure in silence to see forced on this port the huge embargo which, if not greatly modified, will condemn Bombay Port, for all time to come, to the unenviable distinction of being only a "harbour for boats."—*Sept.* 12, 1871.

Port Trust Charges on Private Enterprise.

II.—The letter headed "The Bombay Pier Company," copy of which appeared in our yesterday's impression, signed by Sir Jamsetjee Jeejeebhoy on behalf of the Board, will sufficiently explain why the project to give Bombay a good landing and shipping pier "hangs fire." The projectors find themselves debarred by the burden of an extraneous and artificial charge which would have to be levied on all merchandise passing over the pier they intended to build. Government has granted a "concession," receiving therefor a very handsome sum of ready money, but has weighted the concession with a condition that defeats the chief purpose aimed at by the promoters. There is not much need for us to spend any pity on the purchasers of the property. If they had chosen, as they yet may do, to utilise, without much further outlay, the storage and building ground secured by them, their investment would probably yield an ordinary rate of return. But having invited investors everywhere to join them in transforming this private concession into a useful public work, one long needed in Bombay, the whole subject becomes a public question of some urgency. It is just that part of the enterprise which relates to its public purpose that becomes impracticable because of the terms imposed by Government. The object, but not the reason, for the imposition is well understood by everybody. Up to last year the only landing place worth naming over which the State held control was the "Town bunder"—that is, the wharves and basins backed by the Custom House. This was spoken of as a "free bunder," as no charges, other than those actually incurred for cranage, warehousing, or similar special services, were levied. Of course all Customs duties were there paid; and out of these funds or the general imperial revenues were defrayed all charges for maintaining the wharves and keeping clear the approaches from the harbour. Last year, the State having become

proprietor of the extensive sea frontage of the Elphinstone works, Act v. of 1870 was passed, whereby bunder fees and tolls—charges similar to, but somewhat higher than, those levied by the Elphinstone—were imposed not only on that property, but on the Town bunder and all other points of the foreshore where the State had not relinquished its power in favour of some private interest or joint-stock company. . . . . .

Before the (proposed pier) Company can pay interest on its own capital and working expenses, it is bound to levy from its customers funds that go to pay interest on the capital invested in "any wharf or bunder the property of Government." It is manifest that unless the site at Colaba is much more favourable than any other in Bombay harbour, or piers and docks are to pay twice as well in Bombay as elsewhere, this surcharge upon its own necessary rates would check traffic, and, therefore, discourage investors. . . . . .

Many calculations have been made, during the Dock Commission of 1867 and at other times, in order to show the excessive cost in charges and interest entailed on trade by our bungling cargo-boat system; but it is doubtful whether the most extreme of those calculations include all the loss incurred, especially by steamers, when detained a week or fortnight more than is absolutely needful. If this pier at Colaba, or any other, were made, it would attract steamer traffic and speedily cause a demand for another place at which other ships could be brought "alongside." Steamship owners at home have, we understand, expressed much satisfaction on hearing that Bombay was likely to have a pier; and if but the incubus of bunder fees were lifted off the Colaba project, we have no doubt the requisite capital would be found for it, although, instead of the seven or eight hundred actually applied for here, no shares had been taken up in Bombay. But it would be a worthy object for Government to evoke what little genuine public works enterprise there is in Bombay; and unless this be done now by revising the impracticable terms offered to the only tangible project before the public, it is much to be feared that, as Sir Jamsetjee and his colleagues remark, no other such work will "be carried out by public enterprise for many years to come." Meantime we have a Port Trust, but though it offers to sell a lot of its property, no one knows when it was formed, where it is to be found, who are the trustees, or what is entrusted to them. All this time Bombay is still only a "harbour for boats."—*Oct.* 12, 1871.

CALCUTTA AND BOMBAY TRADE RIVALRIES.

THOUGH we cannot pretend to have gone through much more than half the Memorandum, by Mr. H. Rivett-Carnac, on the Interchange of Railway Traffic—between Western India on one side, and Bengal with Upper India on the other—since the completion of the through lines, we must not allow another day to pass without calling attention to this elaborate and timely official return. Great were the expectations regarding the accession to Bombay commerce that would accrue from the opening of through railway communication with Northern and Eastern India. Though those anticipations, were, somehow, considerably sobered down by the time their Excellencies met at Jubbulpore—when Sir Seymour Fitzgerald made a very good speech on the subject—much disappointment has been felt at the comparatively poor results since the opening of the line. But that a great improvement has been taking place during the months immediately preceding the monsoon, and still more since the rains, is obvious to all who have noticed the weekly traffic returns of the G.I.P. in our columns. The considerable increase there apparent has been simultaneous with a heavy decrease in the traffic of the E.I. Railway; so that, on the surface, it looks as if the G.I.P. had really diverted and absorbed a considerable portion of the Ganges railway business. We do not think this transfer is nearly so great as the gross figures of the two returns would lead one to think. If goods from Upper India and the Ganges Valley find a better market at Bombay than Calcutta, they must still travel over a large section of the E.I. line, and if the market is a better one, more goods will be put on the rail. How far Peter has been robbed to pay Paul, and how far each railway has increased its share of traffic between east and west, is the question which Mr. Rivett-Carnac—on behalf of the great and copious Etcætera department—has set himself to answer in all its bearings. . . . . .

When the up-country—or, as the railway men insist on saying, the "down"—traffic

of the year ending June last is only 75,244 cwt., one-eighth of the receipts *towards* Bombay, what can traffic managers do, and how shall the guarantee be made up? Of course every one hopes this state of affairs will change; and the report shows that there was a great improvement last half-year in the trade from west to east. The total traffic for the half-year was 55,359, of which all was sent from Bombay except 10,630, maunds. We hope to give further attention to this suggestive report. Our Chamber of Commerce can scarcely fail to make some practical use of it towards working out the problem in which the merchants of Bombay have just now a very pressing interest,—namely, how to find new markets that shall be profitable and safe. This compilation, which must have cost the author a world of pains, might be commended to the attention of the State Railway Department, and especially to any of its members who may still be halting in opinion between the light and heavy systems—between the narrow gauge, suited for our miscellaneous commodities and light through traffic, and the present "standard" gauge, suited only for a small crowded country like England. The pursuit does not lie in Mr. Rivett-Carnac's way, but, we dare say, he could give the Railway Department some help towards ascertaining what a terrific amount of "dead weight" has been occupied in "hauling" the commodities he has enumerated. Such a calculation would disclose what Colonel Strachey might truly describe as "a hideous waste of power."—*Sept.* 28, 1871.

II.—The speech of Mr. W. G. Hall, the President-elect, at the Chamber of Commerce, the other day, being mainly retrospective, presents few topics which we have not discussed during the last six months. Yet we cannot do less than draw attention to the address as one which, within moderate compass, presents a review, at once full and concise, of the chief events and changes that have affected commercial affairs in Western India during the last business year. The commercial traditions of the mercantile adventurers who came to India to trade, but remained to rule, are fast being forgotten. Their place has been supplied by a very miscellaneous but free and independent community of European traders, whose operations—incomparably more extensive than those of the honourable board of old—fill so large a space in Indian affairs, that we have almost come back to the starting point, so as to regard commerce as the final cause of British presence and rule in India. Certainly, without the personal and national profit gained by means of the special facilities afforded through dint of our political power in this country, the political and military power itself might not long be regarded as worth retaining. And though immediate trade prospects are discouraging, our commercial stake in the country is likely to increase on every side; therefore, the transactions and controversies annually reviewed by the Chairmen of the Chambers, at the three great Indian ports, have far more political significance than is usually claimed by themselves in their matter-of-fact treatment. Of course the several mercantile communities have their rivalries, which, as we who are out of the game can see, contribute to the general advantage. The Bombay Chairman of this year quietly gives the "Roland" to last year's "Oliver" of the Calcutta Chairman. Mr. Bullen Smith had congratulated the merchants of the Hooghly, or mildly commiserated those of Bombay, on the fact that scarcely any Manchester goods went from Bombay beyond Jubbulpore to the N.W. Provinces; but he omitted to state the reason why. Mr. Hall now supplies it, in the statement that, though Jubbulpore is 230 miles nearer to Bombay than to Calcutta, the railway carries piece goods to that station by roundabout route at preferential rates which are equivalent to a profit of two and half per cent. on the goods. . . . . .

The Chairman's remarks on the urgent question of railway extension were to the point, and might with advantage have been amplified. It is satisfactory to notice that the new policy in railway construction which we have so long supported is fully appreciated by mercantile men. As Mr. Hall puts it, "as far as we are concerned, the narrow gauge will carry fast enough for us, and the cheaper the first cost the lower the rate of carriage will be." He alluded to the objections raised on strategic grounds, and thought the commercial advantages outweighed them. But the case is far stronger than that. The fact is, we should never get strategic lines at all if we waited for railways costing £12,000 to £18,000 per mile: the country would be ruined in the attempt to provide defence against imaginary, or, at the best, remotely possible foes. . . . . .—*Oct.* 6, 1871.

MR. T. C. HOPE'S MUNICIPAL INVESTIGATION.

A FORTNIGHT since we had to examine the Municipal Commissioner's Report for 1870 in the light of the auditor's report for that year and 1869. Now, we have to look at all three, and a good deal more, in the light of the report from the Government Committee recently appointed to thoroughly investigate the financial position of the Corporation, and explain authoritatively how the city stands. It must be eminently satisfactory to our readers to find that firm ground is reached at last. More than three years since it was obvious to every impartial observer that the high pressure municipal system of 1865 had proved a disastrous failure; and on the ground that, in these matters, finance tests everything, we have, since an early period in 1869, constantly urged that nothing could be done to any purpose in municipal matters until—as unanimously urged by the Bench on Mr. Currey's motion—the Bombay Government should take up the whole subject, and place the city at a new point for departure. This is not done yet. . . . Above all, the Bombay Government is bound to abandon at once that attitude of alternate indifference and antagonism towards the Corporation on one hand, and unlimited indulgence towards its executive on the other, which have had such a very large share in fostering the extravagance and accelerating the ruinous "progress" whose results are now revealed.

Let us look at some of these results. Our readers will have an opportunity of perusing the report of Mr. Hope and his colleagues for themselves. So complete and artistic are its proportions, that we feel considerable disinclination to break up its unity and analyse its separate portions. But for good practical reasons, on which we need not stay to philosophise, this rough process is needful in order to popularise and give effect to the conclusions arrived at. In stating the principal totals of the report, as we have already done more than once, our aim has been to avoid exaggeration and to deprecate any alarmist feeling. Now that the facts are known, we can afford and desire to treat them coolly; but this is in order that they may be looked at fully and fairly. . . . . .

The Committee show that the 15-lakh loan would have sufficed to clear off the deficiency, save Rs. 1,40,073, had it not been for fresh—and we dare say unsanctioned—expenditure of nearly 6½ lakhs on markets, &c. In 1870 things went worse by 1¼ lakh; but, instead of that, a recovery of more than 2 lakhs might have been attained, were it not for the excess on ordinary items, and again in those much vaunted markets, amounting to nearly 3½ lakhs. This was the demand partly met by the abstraction of the Sinking Fund. In the present year the gulf yawns wider than ever. The Committee say that "the financial position will have further deteriorated by Rs. 7,10,796." . . .

The Committee have done their work; but they have not gone an inch beyond. They state conclusions, but draw no inferences, and leave to others to make deductions. In this respect the first duty lies with the Government of Bombay. For nearly three years its gaze has been carefully averted from the hopeless and all but abandoned struggle by a few of the citizens to arrest the mismanagement and reckless expenditure of the Commissioner. But Sir Seymour Fitzgerald and his colleagues can no longer plead ignorance—ignorance which a day's impartial and peremptory investigation would have dispelled any time since those evasive official letters were written during the first half of 1869. They now know, and all India knows, that the law has been violated by our municipal officers; formal restraints have been systematically spurned; unauthorised expenditure has been incurred and concealed to a very serious extent; the public creditor has been placed in jeopardy; costly outlay has been promoted without anything approaching to adequate results, while many most needful works of civic improvement remain in abeyance; and the people of this most populous city in India, where modern corporate institutions might be expected to work best, have been disgusted with the very name of municipality, to such an extent that years must pass before the requisite confidence and spirit of co-operation can again be evoked. If the Government of Bombay, in face of all this, desire to retain in office the man whose characteristic boast it has been that he was "responsible" for everything done, then Sir Seymour Fitzgerald and his colleagues must be prepared for a struggle with the Government of India and the Secretary of State which will not conduce to the prosperity and glory of this Presidency.

But we do not assume for a moment that the Government of Bombay has not already estimated the full force of the grave conclusions brought to light by the Committee of Investigation.—*Oct.* 16, 1871.

THE MUNICIPAL REFORM VINDICATED.

II.—No doubt Mr. J. A. Forbes made a few mistakes in June last when, comparatively new to the subject, he brought his indictment against the management of the Bombay Municipality. Those inevitable and unimportant shortcomings have been all obliterated by the report from the Committee of Investigators, which makes any past inaccuracies by outside critics look quite insignificant. And if any one felt hesitation as to whether Mr. Forbes had performed a great public service or not, that feeling of dubiety must be entirely removed by the publication of his letter to H.E. Sir Seymour Fitzgerald, which appeared in our paper yesterday. Some points of that document may be open to criticism, but, as a whole, it is invaluable as speaking the word that is wanted, and clearing away all excuse for hesitation. The Bombay Government has been in a fog long enough about municipal affairs, and the only way out of it is to take some such sharp decisive step as that suggested by Mr. Forbes. This is, in brief, for the Local Executive at once to take the management of the city into its own hands until some satisfactory course can be decided upon, both as regards finances and organisation. To do this through the Collector of Bombay would be a suitable method of utilising existing machinery that ordinarily works much under its power, but which ought at all times to be capable of making any sudden effort that may be called for in the exigencies of this island city. . . . . .

Nothing could be more suitable in the present exigency than for the Local Government to show its substantial good-will towards the Municipality by providing it with house-room. It is, indeed, high time for the Bombay Government to exhibit some effective and practical willingness on behalf of the much abused and neglected Corporation. We do not wish to add anything to what Mr. Forbes has so forcibly said in pushing home on the Bombay Government responsibility for municipal mismanagement. For the last three years we have steadily pointed out that the Bench was powerless, and that the whole duty of control and supervision had passed over to the authority which had affected to grant it. The only conclusion to be drawn from this proposition just now is, that the Government, which created the Municipality and allowed it to drift amongst the shoals, is bound to use its utmost effort to extricate the unfortunate craft. This is the refrain of Mr. Forbes' letter, and its practical outcome is well summed up in the following para.: "All that is asked is—permission to occupy for a year or two an empty building; the loan for a few months, without interest, of a hundred thousand pounds; and lastly, what is cheapest of all, though perhaps of the most vital importance, the cordial support, and more especially the *immediate intervention*, of Government in clearing the town of a great scandal, and organising an entirely new system of municipal administration." It is certainly this "lastly" which is both of pressing and permanent importance. Unless an entire change of method and policy is introduced into municipal working, unless some outside authority is exerted to enforce a more economical spirit in the *de facto* municipal executive, the Corporation must still drift week by week into further embarrassment. . . . . .—*Oct.* 24, 1871.

REPLY TO BOMBAY GOVERNMENT EXCUSES.

III.—The Ratepayers' Committee is to be congratulated on the partial but notable success of their flank movement. The course they adopted the other day in memorialising the Government of India direct, was, of course, very irregular, and quite contrary to the "usual routine" of humdrum negotiation between the Indian public and its rulers. We do not overlook the circumstance that the Bombay Government resolution we published yesterday bears date the 18th, which being the day of the ratepayers' meeting, cannot be positively alleged to stand as an effect of that cause. Yet, as the natural history of Government resolutions has yet to be written, there is room to make the remark that, like any other documents not finished at a sitting, this or any other resolution may be either ante or post dated by accident or design. And in the present instance, as it was

well known some days before the meeting that the lieges intended to appeal from the "satrap" of Bombay to the "tetrarch" of Calcutta, we shall not err much in suggesting that, though it had not been thought necessary to reply to the Justices' manful resolution of December *fifth*, the imminence of an appeal from the ratepayers direct prompted the desire to put in an appearance where the indolences, caprices, and self-complacency of local authorities are of little account. We are bound to notice the apologetic resolution now issued, though it is little more than a recapitulation of the pleas formerly put in by the Bombay Government in mitigation of the sentence passed by public opinion because of its *laches* in regard to municipal affairs. . . . . .

If the document be looked at merely within its own four corners, there is much to approve in it. As a literary composition, and a well-reasoned argument from the premises laid down, it will pass as an excellent piece of desk work. But it does not closely fit the facts; it does not accord with the real history of the city since the close of 1868; and it is discouraging, rather than helpful towards that organic reformation for which the city still waits with such remarkable patience. It is an important admission that "His Excellency in Council" now sees that much mischief would have been averted had some modification of the Act been introduced early in 1869, and if checks or expenditure had then been made more precise and tangible; but why was not this done? . . . .

We will concede this much, that, had the present Chief Secretary been on the spot in the first half of 1869, matters might have turned out differently; but he was not, and it has required almost a revolution to effect what could then have been brought about by regular and orderly processes. For the fatal inaction and the delusive optimism of 1869, the Chief Secretary of that period and his superiors in the Executive must bear the sole ultimate responsibility. Those who know the actual circumstances of the time,—how from a variety of causes, well understood by the public, the Commissioner could defeat or evade any action of the Bench which ever so remotely threatened his position—must, according to their humour, be indignant or diverted at the palaver about "powers of the Justices" scattered over paras. 2 to 6 of the present Resolution. . . . . .

This leads us to say a word or two on a topic which has necessarily puzzled the writer of the Resolution, seeing that he had only dumb, unannotated papers to guide him. He finds that the Act grants large powers of debate and voting, and that there has been much show of exercising these powers. "Earnest and able members of the Bench have from time to time brought forward propositions" adapted to avert the evils that have befallen us; but, somehow, these have come to nothing. It says something for the pains taken by the drafter of the Resolution, that he perceives these weighty movements have been turned aside on such frivolous pleas as that they were not quite necessary, or "inopportune"—as reforms generally are to those whom they disturb. Did it not occur to the writer to guess—if he has never happened to witness the farce—how this weak and impotent result should be the only outcome of the "powers" he finds put down on paper? Does he not know that of these Justices, whom "His Excellency in Council" is made to lecture once more, fully one-third of the available voters were connected with the Commissioner by service or other official ties; that another third, comprising most of the wealthy and influential native citizens, had been rendered satisfied with "things as they were" by means of the fiscal compact come to at the close of 1868; and that of the remaining third—who might be supposed to represent that ideal "earnest and able" Bench ever in His Excellency's eye—more than half were constantly coming and going, and were therefore no match for the municipal Executive and the demi-official time-servers, whose interest it was to keep fast hold of the thread of affairs and be on the watch to oppose any investigation into the Commissioner's tangles? What, in the name of common sense, is the use of talking about "the authority already possessed by the Justices," when such "authority" could be jockeyed or neutralised at every critical juncture? Every one, from the Hon. Mr. Scoble, the Chairman, downwards, has been demanding a revision of that miscellaneous constitution of the Bench which rendered enforcement of responsibility impracticable. It is only a few who have steadily demanded an inquiry into the administration itself. As soon as that inquiry was granted—nearly three years after it was first asked for—the much belauded and bolstered up system collapsed. The writer of the Resolution is so incautious as to refer to the four committees which were appointed by the Bench in 1869, in sheer despair of Government granting the only kind of assistance which could be of any avail. "His Excellency in Council" is now made to

ask the innocent question, why were the reports not presented in due course? . . . The well-known fact that the late Commissioner could dominate the Bench has sometimes been referred to derisively as—"so much the worse for the Justices." But it is tolerably notorious that the late Commissioner also dominated the Bombay Government in respect of nearly all local affairs: shall we therefore say—so much the worse for His Excellency in Council?—*Jan.* 26, 1872.

THE NEW MUNICIPAL ACT.

IV.—Mr. Matthew Arnold, in one of his cynical and trenchant essays, points out as one of the besetting weaknesses of his countrymen that they have an inordinate faith in "machinery." On this ground it must be admitted that the framers of our new Municipal Act are model Englishmen. Anything more elaborate and complicated it would be difficult to contrive. It is "wonderfully" made; and if the Legislative Council does not very largely reduce the number of "bearings," the results of its working cannot but be fearful to contemplate. Not that there is any danger of the apparatus running too fast. What is to be dreaded from the working of the cumbrous machine as at present devised is waste of power, needless antagonism, checks on public spirit, and, finally, a civic deadlock. It is difficult to recall any former Governmental organisation to which the new constitution may be compared. The Bench of Justices, chiefly out of which materials are obtained for the new structure, is itself *sui generis*, an anomaly and a very peculiar institution. If we must have a comparison, the new municipal constitution may be likened unto an amalgamation between a Venetian oligarchy and one of the English corporations before the Reform Bill era, when a few hereditary burgesses and aldermen elected each other.

But here is the Bill, and we shall have to make the best of it; for the obsequious "additional members," after more or less show of debate, will carry pretty much what the Executive desire. Therefore, let us enumerate the principal wheels, cranks, and pulleys of this cunningly devised organisation, so that we may trace wherein its motive power consists, and where we are to look for its guiding and regulating movements. . . . . .

From these ranks, then, there are to be chosen—first, thirty-two, nominated by the Governor in Council; and thirty-two more are to be elected by their fellows after Government has had its pick. Then comes in the new element, the "tub thrown to the whale" of popular representation. There are to be sixteen citizens not Justices, eight of whom will be nominated by Government, and another eight are to be elected by a certain narrow constituency of ratepayers, who, of course, may include many Justices. By an odd freak, the sixteen ratepayer members of the Corporation, both nominated and elected, may be persons of less substance and lower status than the ratepayers who are permitted to vote for them. The sixteen are qualified by the payment of any municipal rates and taxes to the amount of fifty rupees; but those who are to elect eight, of the sixteen, can only be qualified by the payment of that sum as house *owners!* This placing of the cart before the horse, we must presume, is the result of an oversight; because if not, it introduces a novelty in the methods of representative organisation. . . . . .

And now, when we have got the corporation of eighty, let us see what is to be done with them. Considering that of the resident Justices, many of them are frequently absent from Bombay, that number would not have been much in excess for supervising the affairs of the city after the requisite number of committees had been told off. But no, there must be another filtration; and from the corporation of eighty we see the Town Council emerge. Very complicated is the process by which this important body at last struggles into being. Henceforth each year will in Bombay be closed by the exciting scenes consequent on the very mildly contested elections of the thirty-two and eight members of the Corporation; then the new year is to be ushered in by the choice of the twelve Town Councillors. Of these, the chairman and five members, of whom two are to be of the eight elected ratepayers already mentioned, are to be nominated by the Executive Government. The other six, including again two of the elect ratepayers, are to be chosen by the corporation of eighty. . . . . .

The Corporation is to hold at least four meetings in the year, and thirty members are required to form a quorum. But the Corporation is only the fly wheel of the machine;

the working cogs are the Town Councillors. These devoted public servants are to meet at least once a week, and though they may meet six days if they like, they will only get Rs. 30 each on Saturday night; and this *douceur* is only to be given to each member "who actually attends such (weekly) meeting from the beginning to the end thereof." Here, it seems to us, is a provision which may enable a strong-willed minority to bring to terms a majority of hungry or dyspeptic councillors, much in the same way as the boot-eating, obstinate juryman has been able to bring round the wiser eleven who had the misfortune to be locked up with him.

Now, having done our part to save many busy or indolent persons the trouble of making out what is the new civic constitution proposed, we might leave the public to work their own way through those provisions of the Bill which bear on the transaction of business and control of the municipal fund. But nothing has been said about the Municipal Commissioner. . . . Under the new scheme the Commissioner will have plenty of power and quite sufficient scope for minding his own work. But his opportunities for making the worse appear the better reason, for cajolery, and other parliamentary tactics, are all swept away in the line—"he shall not be eligible to be a member of the Town Council." For anything to the contrary laid down in the Bill, he may, however, be eligible as a member of the Corporation, where he will be at liberty to practise those arts by which nominated Justices and other brethren with weak spines are so apt to be beguiled.

We should have remarked on the prominent position that is given to the Accountant, who is also Secretary to the Town Council. It seems that it will be with this officer rather than with the Commissioner that the Corporation is to be brought more directly in contact. It would say little for the framers of the present measure if they had not profited by the experience gained under Act II. in the matter of contracts . . . and that course always affords the best security for the taxpayers. Under the present Act no one knew where the common seal of the Corporation was to be found; but, under the new one, very elaborate regulations are prescribed as to the manner in which the great seal shall be used. Yet nothing is said about leases!—*March 27*, 1872.

V.—As it seems that the new charter under which this city is to be ruled will not be submitted for the consideration of the citizens themselves, we must make the best we can of the conflict of opinions between the small official majority of the Select Committee and the three dissentients. The whole Bill, with its flock of quiddling regulations and crowd of supererogatory provisions, is such a jungle, that we cannot be expected again to wade through its 304 sections, albeit the Select Committee has here and there pruned its redundancies. Still, we suppose, we must make the best of the perplexing situation into which everything concerning the city has been allowed to drift. Because in the first half of 1869 the Executive Government of Bombay grossly neglected its duty as supervisor and trustee, the whole municipal machinery was thrown out of gear, men's minds became unsettled, and thus we have to make an entirely new machine instead of replacing a few cogs and screws, as would have sufficed three years ago. And now, when the new engine is brought out, it reminds us all too much of our monster road-roller, sometime deceased—it is very imposing, big, and heavy, but clumsy, costly, and ill-fitting in its essential joints. In the Bill now before Council we have old foes with a new face; and though Government avow their intention of relinquishing autocratic power and making the municipal executive really responsible to those whose welfare is affected by its action, the fact is plain on the face of things, that, as the Hon. Mr. Forbes so aptly remarks, "the Bill is characterised by a marked distrust of the whole system of municipal government which it inaugurates." . . . . . .

But, again, as we have to make the best of things, let us see how much the official members of the Select Committee have conceded, or what perversities they have withdrawn. Their best card is put in front—namely, revision of the proposed Venetian constitution, and extension of the franchise (how ancient that phrase sounds to some of us English politicians of the olden time!); and we have already duly acknowledged this liberality, which is remarkable, considering the quarter whence it comes; but the ratepayers, whose appetites have been whetted, are, like the workhouse boy over his soup, calling out for more franchises and more repeal of restrictions and disqualifications. . . . . .

Turning to the elements of which the revenue is composed, we much regret to see that a majority of the Select Committee appear disposed to treat the revised town duties as an integral part of the city's income; but it must be remembered that these were revived only to stop gaps caused through municipal extravagance and neglect by the Bombay Government. These imposts have only been restored under exceptional circumstances, and we trust the Corporation will abolish them for ever as soon as the city can feel that its legitimate resources are sufficient for its needs. At any rate, we trust a firm stand will be made in support of the Hon. Mr. Forbes's protest against the introduction of the cotton tax, which is avowedly a transit duty. The grain duty, in spite of the system of drawbacks, has already operated as such to a considerable extent.

Another protest, in aid of which we trust the Chamber of Commerce, Tradesmen's Association, and all other public bodies capable of such action will join, should be lodged against the proposed imposition in this city of a heavy permanent burden in the shape of the wholesale exemption from municipal taxation of Government buildings and property. This is a large question—one that affects Calcutta, Madras, and other Indian cities in common with this; and, therefore, we hope that some united movement may be undertaken in order to relieve our expensive *régime* of modern municipal conservancy from this artificial burden which is imposed on it by the exemption, partial or entire, of State property. It is not needful to extend our criticisms at present. . . . . .—*Sept.* 2, 1872.

THE PORT TRUST AND ITS HUGE DEBT.

THE publication of the chief portion of the papers relating to the purchase of the Elphinstone property, and the financial negotiations between the Governments of India and Bombay in regard to the formation of a Port Trust, will serve to clear up a vast amount of misunderstanding. But once more we are constrained to ask, why were these documents not placed before the public at an earlier date? There was not the slightest substantial excuse in this instance for the absurd regulation of secrecy being maintained a single week after receipt of the big letter from the Government of India, dated September 8th, last year. It was generally known that numerous printed copies of that document were in the hands of the Financial Department here; but, according to official superstitions, it would have been something like high treason for even Sir Seymour Fitzgerald to place that document and its predecessors before the public. . . . . .

Our business now is to find out, if we can, where the trade and finances of the port have been landed by the discussion commencing with Colonel Kennedy's letter of February 1st, 1869, copy of which appeared in our columns on Friday last. The next step is to refer to the letter of Colonel Trevor, dated June, 1870, copy of which will be found in another column to-day. . . . . .

In this letter of Colonel Trevor's, that battle of adjustments sets in, which, though not yet decided, we must here skim over lightly. The battle opened, as we all know, with the demur to pay for the land on which the G.I.P. Railway has its goods station. Colonel Trevor put the objection thus: "It can hardly be contended that the inhabitants of Bombay are to be taxed to the extent of Rs.1,80,000 every year, for the benefit of the general public of India, or that they should pay, as suggested, by instalments in thirty years 40 lakhs of rupees to the Government of India for a portion of their own foreshore. This Government believe it is only necessary for them to draw attention to the injustice of this demand to ensure its immediate remission by the Government of India." So far from any remission of this demand having ensued, it would be observed in the last letter from the Government of India, dated 5th of last month, that authority "desires it may be fully understood that it has in no respect withdrawn" from the flat refusal with which the request for the remission was first met. But whilst thus consistent in its obstinacy, the Supreme Government has made a certain concession which must, for the present, be set off, as far as it will go, against the intolerable oppression of having to purchase "a portion of our own foreshore" by uncompensated exactions on trade. As this concession is the most important that has been obtained during the controversy, we will turn to it, though out of the order in which it arose. Colonel Kennedy, in his letter of October last, after remarking that this Government's contention against saddling the trade of the port with the imperial charge for a railway terminus "has never been met on its merits," proceeds

to propose that instead of the railway station (called "Waree Bunder land" in this correspondence), there should be made over to the Trust, without charge, the Apollo Bay Reclamation and certain land in Moody Bay—in all, about seventy acres. . . . This costly and comparatively useless public work thus presented to the city will be of little avail to enhance the income of the port, but it is a very important relief to get the 17¾ lakhs it represents written off from the capital debt. There is another 10 lakhs also conceded in respect of the debit for right to levy wharfage fees on the railway's frontage. And the unprofitable Moody Bay Reclamation is to be taken under management of the Trust without interest being charged until after a period of ten years. . . . . .

Indeed, the grand grievance is, that after the port has been saddled with this enormous burden of nearly three millions, "the main feature of the undertaking which His Excellency in Council had in view—namely, providing for sea-going vessels of large tonnage, deep-water basins in which they can load and discharge (or piers for the same purpose)—is wholly lost sight of and put aside." Worse than that; it is quite plain that, had it not been for this Port Trust scheme, the steamer trade would have already been in a fair way to obtain a pier that would have met almost all its present requirements. The semi-personal contention between the two Governments is of small consequence to the outside mercantile world at present, or to the citizens of Bombay; but it is plain that, in the interests of the public, the final settlement should in some way be taken out of the hands of both the disputing parties. The Government of India has the Government of Bombay "on the hip," inasmuch as the latter in 1869 forgot that they were about to pay for more than they should receive—that the Imperial revenues had already profited to at least half a million in respect of the sum demanded by the Elphinstone shareholders. But as the transaction has now gone past the two Governments, the public must have its authoritative say in the matter, and that fiat will compel the transfer of the half-million to its proper head of railway capital. . . . . .

The Chamber of Commerce will, we presume, at once set about obtaining a more explicit statement than this correspondence affords of the burdens now being imposed on the trade of Bombay.—*April* 1, 1872.

II.—Bombay may be forgiven if, in welcoming Lord Northbrook, it does not forget the very strong claims which this port has on his Lordship's favourable consideration. Though an old story, it is high time it were entering on a new phase. The Government of India appear to have been ready to admit so much; and, lest amidst the three confluent streams of personal influence now flowing through our city—from the efforts of our departing and arriving Governors, and possibly of the new Viceroy—Bombay should obtain something like its fair share of Imperial aid, an experienced officer of Bengal Engineers was sent to act the part of Cerberus. We cannot complain of the selection made in this instance. Whilst Colonel Fraser will, we doubt not, faithfully serve the Indian Pluto who revels in his overflowing Treasury, he is a man superior to provincial bias. We gather that he is proving himself quite willing to see the most valuable port in India well served, if that can be done without such sacrifices as have from time to time been lavished on the Hooghly and Calcutta. . . . . .

When the last Viceroy landed in Bombay, a large joint stock company held possession of the most important part of the foreshore. The shareholders had spent nearly two millions sterling on the property, but a considerable part of that huge sum had really been spent for imperial, public, and general purposes. . . . . .

The burden of the Port Trust scheme became a crushing one when its schedule of capital had debited to it charges for useless works which our mercantile community had never asked for, and for which trade can never be induced to pay. It must be owned that the Supreme Government of India has shown some disposition to be reasonable in respect of such abortive reclamations as in Moody Bay, and comparatively useless works as those of the Wellington, Apollo, and Arthur bunders. If, then, the new Viceroy can promise some further relief in this direction, Bombay will thank him; but no settlement can be arrived at until the cost of the G.I.P. goods station shall be transferred to the Government of India's account of land grants to railways.

But apart from all disputes as to cost, and the final arrangement of accounts, there are one or two practical questions which press for speedy settlement, and the merchants of

Bombay will be glad to hear that Colonel Fraser and Lord Northbrook have agreed on some plan to meet the urgent wants of this entrance-gate of the Indian Empire. All are agreed that we cannot go on much longer with the antiquated system of cargo boats, and without any pier or wharf on which passengers can land direct from the ship. We must have ships brought alongside. Whether this be done by means of piers or docks is a question which, though in itself of secondary importance, may make a couple of years' difference in the way it shall be answered. . . . Supposing there were time for Lord Northbrook to look round him in Bombay—which there is not—his willingness to look into this pier question might be taken as a fair test of his independence, self-reliance, and readiness of perception. As it is, he will be so surrounded with Elphinstonians, past and present, that there is little chance of his even getting to know that an independent and self-supporting pier is a possible project for Bombay.—*April* 29, 1872.

III.—As some weeks must elapse before any decisive official action can be taken towards giving effect to the resolutions passed by our Chamber of Commerce on the 5th, we are still in good time in commenting on what passed at that meeting. . . . . .

Let us go back to the second stage in Mr. Bythell's history or "statement of facts," which he thought it "absolutely necessary" should be laid before the Chamber. It is admitted that the terms and objects of the Elphinstone purchase were known to every one in the middle of 1869. The Chairman admits that when the Bunder Fees Act was passed in the autumn of 1870, it was quite understood that the port was to be debited with some two millions sterling, on which four and half per cent. was to be charged, the principal to be repaid in thirty years. Mark those dates. The Chairman says that "negotiations were in progress during a period of two and half years with a view to changing the whole nature of the harbour accommodation, without the trade being asked once for an opinion as to whether the expenditure and the proposed changes would be beneficial or not." Why, then, in the name of common sense, did not the trade "express its opinion," if it had one? It is the veriest fudging of an excuse to say that there was "only rumour or insufficient statements to go upon." A mere tithe of the information that has been in the hands of the general public since July, 1869, would have warranted the Chamber in storming both the Governments of Bombay and India until some definite and authorised assurance should have been furnished as to what infliction the port was to expect. . . . . .

Opportunities for remonstrance were also thrust upon our merchants. The dulness of trade in Bombay almost ever since the purchase of the Elphinstone estate should have incited public-spirited men to protest, again and again, lest the port should be overborne and lose all its relative natural advantages, as it now seems likely to do. Nor can it be pleaded that figures and statistics were wanting. We have already alluded to the astounding totals which were mentioned incidentally in the Legislative Council at Poona in August, 1870. That was before Sir Seymour Fitzgerald knew that his favourite bubble of transferring the Baroda Railway terminus to the eastern side of the island had burst. Very early in April, 1871, there appeared in this column a circumstantial statement showing the extent of the evil intended against Bombay, under the paltering guise of a Port Trust. Of course we could not then explain that our article was based on official and authoritative documents; but if the Members of the Chamber turn to it, they will find it tallies with Colonel Trevor's letter of June, 1870, which forms one of the chief links in this correspondence that did not come into the Chamber's possession until March of this year. The Chairman says, "The possession of that correspondence has changed the Chamber's position very materially." It would be more to the point to say that the prolonged indifference of the mercantile community of Bombay to the broad and notorious facts forming the pith of that correspondence, placed us entirely at the mercy of the authorities, and, as we have seen, shut up the Chamber to the foregone conclusions embodied in the resolutions now "unanimously" passed. The first time the Committee come before the public on this question of enormous local importance, they meekly advise the members that "we cannot ask and cannot expect the Government of India to make any further remission of our debt," and "that we ought now to accept our position, and make the best of it." Why, this adverse position is in many degrees due to the procrastination and want of public spirit evinced by the mercantile community of Bombay—native as well as European. Mr. Bythell puts the chief financial error in a true and striking light when he says that the Port Trust is paying £1,900,000 for a property which cost only £1,200,000, and yet he went on to exhort the

Chamber to "accept the position." Had that body moved, as it ought to have done, in the early part of last year, a resolute stand could then have been made to throw that 70 lakhs back on to the charge to which it belongs—namely, the Imperial railway capital account. But now, the Chairman says, it is too late, and not a single member must venture to insist on that obviously required adjustment. Neither was a single speaker found to point out that the Land estate ought to be separated from the Dock estate, and made over to the Collector of Bombay. With regard to the second and larger portion of Mr. Bythell's speech, that in which he vindicated the character and usefulness of mercantile boards for harbour administration, we can have nothing to say that is not in high praise. . . . . —*June* 12, 1872.

IV.—The more the course taken by the Chamber of Commerce at its meeting the other day in regard to harbour improvement is considered, the more will it be regretted on behalf of the permanent interests of the port. It was perfectly intelligible and proper that the associated merchants should say to Government—"Now we have been striving and hoping for harbour improvements for years; by your purchase of the Elphinstone property, and levying of heavy present and prospective charges on shipping and traffic of all kinds, you have superseded all other efforts towards better harbour accommodation; therefore we urgently request that you will at as early a date as possible provide us with some means of bringing ships alongside." Instead of taking an impartial position like this, the "unanimous" Chamber, after some very unnecessary condonation of the financial pressure needlessly put on the port, proceeded to urge Government to carry out one particular plan of harbour works which will cost at least one million sterling, which cannot be made available for commerce under three years at the very earliest, and which is so extensive as virtually, if adopted, to exclude any other or smaller plan being attempted. The course taken by the Chamber cannot appear business-like to any impartial lookers-on. . . . . .

When we consider the subject financially, the dereliction of duty on the part of the Chamber appears to us very striking. They might have moved to some purpose fifteen months ago, if only by way of sternly demanding to know what evil the two Governments were meditating against the port; but now, under the pressure to obtain a unanimous vote in favour of one particular engineer's project, the Chamber surrenders at discretion, accepts the 70 lakhs railway station as an appanage of the port, and portions of several other properties that can never be remunerative. It would have been quite consistent for the Chamber, whilst urging Government to get on with some useful work and do it quickly, to protest by resolution against being debited with the 70 lakhs for the station and some of the other unprofitable lots. But no; these easy-going merchants said—"The Government of India has been very civil, we will not press the Viceroy further." This lame and impotent conclusion was mainly owing to the whole discussion having been placed on a wrong issue, to begin with. . . . . .

For reasons, sound or otherwise, our merchants generally have expressed vehement objections to the Elphinstone purchase, and yet here is one of them standing up without contradiction amongst his fellows, who, on their behalf as it were, accepts the responsibility of that outlay, and says—"Never mind; put another million down the shaft, and then we shall strike oil." We feel persuaded that the burdens now being fastened on our trade will go far to nullify those natural advantages of our position which—considering that our port has no large river behind it, and that we are dependent on costly railway communication with the interior—must be economised and utilised to the utmost, if Bombay is to maintain her supremacy as a great eastern emporium. It is not yet too late, perhaps, for individual citizens to do something to mitigate the effects of the Chambers' too enthusiastic resolution. . . . . .—*June* 18, 1872.

Docks and Piers: Committee's Report.

V.—It would be both interesting and instructive if any one would take the trouble to draw out a parallel between the Bombay dock and pier problem, as it stands now and as it presented itself to the Committee which sat in 1867, when the test question was—"Shall we accept Mr. Russel Aitken's plans for closed docks in Moody Bay?" . . . The Elphinstone and Musjid basins, described in Mr. Ormiston's replies to Colonel Fraser, are

planned on the principle of going below the natural level of the harbour, and dispense with that cheap facility which is afforded by such rise of tide as we have in Bombay. . . . .

The figures given by Mr. Ormiston in his recent paper would appear to afford a higher average; but as they are so mixed up with the question of datum, and his own scheme to get 20 feet below low water, it is difficult to make out what is the average or prevalent rise of tide. We are still inclined to coincide with the majority of the Committee and Maculloch, the economist, in thinking that as "Bombay is the only port of consequence in British India, in which the rise and fall of tide are so considerable as to admit of the formation of extensive wet docks," that exceptional advantage ought not to be abandoned without stronger and more special reasons than have yet been advanced in support of such a sacrifice. . . . The Sassoon dock, though only intended as a boat basin to serve the coast cotton trade, is to be fitted with gates to impound the tide, and will be able to accommodate two or three of the smaller steamers and square rigged vessels. Now, if the private capitalists who have this work in hand would only have courage to take full advantage of the position, and put their dock cill as low as it can be placed, they might, whilst putting a little more money into their own purse, do an immense service to Bombay by practically testing two or three moot points which must otherwise be bandied about in controversy until settled by much more costly experiments. . . . . .

Throughout these discussions, now continued during several years, we have contended that it is a mistaken policy to rely solely on one large scheme, either of docks, basins, piers, or wharves. This harbour is so large, the physical conditions of its foreshore are so varied, and the natural distribution of its trade is so imperatively required, that no one scheme will suffice to meet the work of our commerce without laying on some portions of our trade a burden too grievous to be borne. We want all available appliances—piers, docks, basins, and jetties; but the adoption of the big project now before the public would shut us up to one method only. Here it is worth remarking, when we observe how both sections of the 1867 Committee avoided all examination of pier or jetty proposals, that since that period the shipping trade of Bombay has been in great measure revolutionised. The few sailing vessels may now be left to take care of themselves; it is for steamers alone that our harbour engineers have to provide. This again helps the vote in favour of piers. . . . . .—*June* 5, 1872.

NEW BANK OF BOMBAY: ITS CHARTER.

AN opportunity was missed by the shareholder of the Bank of Bombay (Mr. Macfarlane), to whom last Wednesday was entrusted the sometimes formal duty of proposing that the thanks of the proprietors "be given to the Directors and officers of the Bank for their management of its affairs." The business of the Bank has not only been "very successful" during the past year, but that immediate success has been attained whilst adhering to sound principles and following most careful methods of management in detail. Much evidence of this was referred to in course of the Chairman's speech, but it was open to any shareholder to dwell upon the subject for a few minutes in a tone and with emphasis which it would be manifestly impossible for any member of the Board to use. . . . .

It is with reference to the steady observance of sound banking principles by the Manager and Directors that we think the attention of the public might have been suitably bespoken by one or other of the shareholders. We have often done our utmost to stimulate close criticism at the annual meetings of Bank shareholders, but whenever there is ample room for discriminate commendation, such should be given. As remarked at the meeting, excessive prejudice and much exaggeration obtains in many quarters regarding the mercantile tone or business morality and solvency of bankers' clients, in Bombay. Some of our critics are apt to forget that, notwithstanding the shearing given us by the census men, this island still contains the largest and most diversified business community in India. The native cotton dealers may be speculating, and compromising their losses to an enormous extent; the Mussulman merchants who trade with the Gulf, Sinde, and Africa may be losing money; but these and half a dozen other trade movements, besides the alternate "bulling" and "bearing" which goes on amongst the noisy but astute brokers of our share bazaar, may all be proceeding without the Bank of Bombay being affected in the slightest degree. In the first place, there is the steadiness which, in common with the other two Presidency banks, is ensured to the Bank of Bombay by the

fact that, though standing in the very midst of the torrents and eddies of the exchange business between India and the outer world, it cannot, because of its very constitution, be affected by the ebb or flow of those troublous waters. But, as we are painfully aware, it is possible for an institution engaged only with internal exchanges and local advance to get very far wrong if it once departs from the plain good rules always observed by safe and successful bankers. And it is because the report and the Chairman's comprehensive address furnish abundant evidence of those commonplace but invaluable rules having been faithfully acted upon by all concerned, that it is worth while our referring thus late to the proceedings reported in our last Friday's paper.

It is high time it were well understood that Bombay has long since obliterated all ground for the stereotyped reproaches which some ill-informed writers keep in stock. Where, not in India alone, but in any country, is there a banking institution that can boast of fifteen millions sterling turned over with only Rs. 6,000 of past due bills, and those duly "provided for"? . . . . . .

As to the backwardness of the Supreme Government in granting a charter, that grudging, obstructive course is only too much in accordance with the attitude of the upper powers, or rather of the Financial Department, which, as regards the Bank of Bombay, has more than once usurped the prerogatives of "His Excellency the Governor-General in Council."

Will Lord Northbrook, we may here pause to ask, prove himself strong enough to break down the abuse and the misuse of that high Executive formula by ministerial subordinates as, for the time, Sir Philip Wodehouse has done? This query, of course, applies to a hundred more affairs besides those of the Bombay Bank's charter; and we must confess to some anxiety until it be proved how far the new Viceroy is the man to grapple with the Secretariats.—*Aug.* 12, 1872.

THE BOMBAY BANK SHAREHOLDERS' CLAIMS.

THE battle of the Bombay Bank victims has not been well fought in the House.* Mr. Gregory, who had charge of the case, no doubt did his duty by it, but there had been no strategy exercised beforehand. It is possible we may find men of both parties amongst the seventy-eight who voted for mercy to the fleeced and confiding shareholders; but if proper exertion had been used, some Liberal speakers might have been obtained. It was impossible to produce any impression on Government without showing a phalanx of united Radicals and Tories, the former sufficiently numerous to cause anxiety to the Ministerial whips. . . . As to the Solicitor-General's rhetoric about "innocent taxpayers," that is all nonsense. Innocent taxpayers had to pay for the Bombay Government's blunders in the matter of the Oriental Steamship Company, and they have to suffer for every culpable railway accident. This is the question—whose was the default; were Government officials responsible for the Bank's money being squandered? Mr. Gladstone appears to have put the matter on this true issue; and though, in his opinion, the connection of Government was insufficient to carry penal responsibility, that is only an opinion which is open to fresh argument and challenges the statement of the opposite view. Our opinion has always been that the good faith and direct responsibility of the Bombay Government were distinctly pledged when in 1866 the Act was passed which declared the value of the shares to be Rs. 500 each. The Committee have not been content to rest their case upon that moderate issue; but, if they do, it may yet be found strong enough for the Courts.—*May* 7, 1872.

II.—We do not know what to make of the debate on Mr. Gregory's motion, suing for "favourable consideration" to the shareholders in the old Bank of Bombay. As usual, the non-official speakers are badly reported. Mr. Gregory is made to speak of "Mr. Robertson, the Solicitor for the Government," of "Mr. Robinson," the Secretary of the Bank; and, on describing the approach of the catastrophe in May 1865, he says, "at last a creditor at the bank, named Carnac, failed." Mr. Grant Duff appears to have asserted that the vital condition "guaranteed by Government" as applied in the draft

* According to Reuter's Telegram.

charter of 1863 to the shares on which the bank might advance,* was struck out by "Messrs. Scott and Fogg." Though only one letter of the latter gentleman's name is docked, the effect is very odd; and we are also much mistaken if our cautious friend, Mr. George Foggo, can be held responsible for that fatal stroke of the pen, the more so when it is remembered that in 1863-4 he made a better stand than any of the Directors against the dashing policy then in vogue, and lost his seat at the Board because he was voted too slow for the times. But these superficial mistakes are of no consequence compared with the misunderstanding and misconception shown by speakers on both sides with regard to such essential considerations as the peculiar position held by an Indian Presidency bank, the ruinous effects which necessarily followed from the neglect or culpable blindness of the Bombay Government, and the lack of vigilance and determination shown both by the Government of India and the Secretary of State. As both Sir Stafford Northcote and Mr. Gladstone, arguing off-hand from English circumstances, are "quite prepared to admit that the connection between the Government and the Presidency banks is a mistake," it is not likely that either of those statesmen can comprehend the bearing of the case presented to the House, and which will be again and again urged on the Government of India. On this branch of the subject it is sufficient to remark that the best Indian administrators still remain of the opinion, that, whatever sternly logical bankers of the West may think, the peculiar institutions called Presidency banks are necessary as the pivots of our Indian local mercantile credit.

But the question in dispute is, does the Government connection as the largest shareholder, its holding one-third of the directorate, and exercising a general control and power of audit, commit the State to a moral obligation to preserve the capital intact, and indemnify those who in 1863-65 reposed full confidence in that supposed obligation? This proposition is scouted by the scornful Under-Secretary, and is repudiated scarcely less contemptuously by Sir Stafford Northcote and the Premier. . . . . .

When Mr. Grant Duff speaks about the "very people" who schemed to obtain the unrestricted charter of 1863, and says that these "very people" now come "whining to Parliament" for relief, after having partaken of the advantages of 12 and 16 per cent. dividends, he errs from the facts as much as he sins against good taste. The "very people," whether directors or influential borrowers from the Bank, who urged on the addition to the capital, and egged on the Board and its officials to employ the funds of the Bank more freely, are quite other persons than Mr. Gregory's clients. Those whom Mr. Grant Duff denounces are the splendid sinners whose rise and fall is traced in the Commissioners' report, and written in many of our local chronicles. The applicants for relief are the confiding, absent, or uninfluential shareholders, who, though completely overborne or disregarded at general meetings, thought that, in any case, the *Sircar* would see that they should not suffer serious loss. It is the *victims* who are now suing for some scanty compensation; and it is adding insult of the keenest nature to the heavy injuries they have now endured for seven long years, that they should thus have cast in their teeth the profligacy of the speculators they were powerless to oppose, and the stolid negligence of Government officials, who failed to display the slightest scintillation of original business talent, and who shirked all independent action. But, says the chivalrous and high-minded Grant Duff, these "whining" and ruined shareholders clutched at dividends of 12 and 16 per cent., and did not then offer to share their advantages with the taxpayers. Why did not the honourable gentleman tell his audience how many years these extravagant dividends were paid? Of course not. He only wanted to make a point; but it is spoiled as soon as the fact is mentioned that there were only three half-yearly dividends at that high rate, and most likely the last ought to have been a blank. . . . . .

But the member for Elgin, like a large-souled man, prefers to stand by "the great public of taxpayers, not the little public of shareholders." This argument is a very telling one in the House, but Mr. Bouverie fairly turned its flank when he pointed

* The powers of the Bank as regards advances collaterally secured by hypothecation of shares in joint-stock companies, were similar to those embodied in the Bank of Bengal's charter and in the Bank of England's statutes. These powers were qualified by a "wise and prudent resolution," adopted in August, 1863, moved or seconded by Mr. Foggo, to the effect that advances in respect of shares should be made by express sanction of the Board only, and not by the Secretary. But this functionary evaded the restriction with impunity at a later period, when, amongst both Government and mercantile Directors, were several who had themselves plunged largely into share speculation: thus every restriction, both expressed and implied, came to be flagrantly disregarded.

out that if pushed to its conclusion, it would debar Government or its agents being held responsible for pecuniary damages in case of any misconduct whatever. . . . .

We have the highest respect for the sentiments expressed by Messrs. Denison, Dickinson, and some others, who, while denouncing without stint the conduct of those guilty of the malpractices described, shrink from spreading the loss over those whom the Finance Minister represents; but if some of the facts we have just named had been brought to their notice, they would have seen their way to coincide with Mr. Eastwick in urging that, "in the interests of the people of India themselves, the money, or some part of it, should be paid." Sir Stafford Northcote and several other members started with the avowal that this is a question in which the national honour is concerned, and the character of our administrators demands that some reparation be made. But in this respect the tone of the debate sank almost as low as the key-note in which the Under-Secretary tried to pitch it, after he thought Mr. Gregory and his seconder were disposed of. That fine old English gentleman, Mr. Henley—whose speech, together with Mr. Bouverie's, is unaccountably omitted from several of the reports—hit the mark when he said "the public in India looked on Government with a very different eye from the people of England, and attributed a very different degree of responsibility to any matter in which Government had a finger."

This is a subject we have often had to deal with before, but on the present occasion we have had to follow the course of the debate—a necessity which has prevented our stating the case half so strongly as it might be put. This is not now needed here; and for home opinion, there are those letters that appeared in the *Standard* about the middle of April, and which leave nothing to be desired. . . . . .—*May* 31, 1872.

RUSTOMJEE JEEJEEBHOY:

BENEFACTOR AND INDUSTRIAL PIONEER.

BOMBAY has to deplore the loss of one of her notable citizens, who, though for some years past removed from active life, has not been forgotten, and will always be remembered in connection with those palmy days of this city which, just now, seem departed never to return. We refer to Mr. Rustomjee Jamsetjee Jeejeebhoy, second son of the first baronet, and younger brother of the present Sir Jamsetjee. . . . He dies at the comparatively early age of fifty. His later years have been passed under the dark clouds of ill-fortune and heavy disappointment; and while the gains of a successful career have been swept away, the loss of his wife, the intelligent associate of his days of prosperity, has deepened the gloom which during the last three years has settled upon our once active, enterprising, and ever-benevolent, public-spirited citizen. But amidst all his depression and reverses, it must have been an unfailing consolation for him to remember that in the days of prosperity he had not only scattered his gifts with unsparing hand, but made secure provision for many permanent benefactions that will conduce to the welfare and happiness of our community during many generations. Seldom could the ancient words of the afflicted patriarch Job be more fitly applied than in Mr. Rustomjee's case—"I delivered the poor that cried, and him that had none to help him. The blessing of him that was ready to perish came upon me; and I caused the widow's heart to sing for joy." The public benefactions made by Mr. Rustomjee amounted to some 11 lakhs (£110,000), when the frost of adversity came down upon him; and those who are likely to be well informed on the subject assure us that the sums disbursed by him in private charities have amounted to as large an aggregate besides. . . . . .

Not only was Mr. Rustomjee notable for the benevolent gifts he made, but he ever cherished an intelligent desire to extend the industrial resources of Western India. From this motive he entered with zeal into the Victoria Museum project, and sympathised heartily with Dr. Birdwood's plans for developing through that institution a complete, permanent, economic, and technological exhibition for this Presidency. And though a blight settled down on this, in common with so many other excellent schemes conceived in Bombay during the early years of last decade, it is interesting to know that in the seclusion of later years Mr. Rustomjee, with such little strength and slender resources as remained to him, has been steadily working at various industrial investigations. He had, we believe, all but succeeded in demonstrating that it is feasible to cultivate the

Manilla hemp (*Musa textilis*) in Western India, and to prepare it on a large scale for the export market. He had bestowed similar attention on the Aloe, or Mexican *agave*, which grows profusely, but now utterly to waste, in so many of the most barren tracts of India. And in regard to the competition between the Rhea fibre machines now going on at Saharunpore —an experiment in the prospect of which the late Viceroy took deep interest—it is very likely that such success as is likely to be there attained will be due indirectly to efforts made and outlay incurred by Mr. Rustomjee several years ago. In these respects Mr. Rustomjee's quiet perseverance while under the cloud of sickness and misfortune affords a lesson to many men of wealth and leisure, both here and elsewhere in India, who ought to be the pioneers of industrial, sanitary, and social improvement—not by the harsh, repellent methods of official routine, but by the quiet and gradual processes of practical experiment worked out by personal example.

One of the best memorials of our departed citizen is supplied in the terms recorded by members of the Executive Government when Mr. Rustomjee retired from the Legislative Council and public life in 1866. . . . . .

The following is from the joint minute of Messrs. B. H. Ellis and C. J. Erskine, dated June 6, 1866: "By his [Mr. Rustomjee's] widespread benevolence he has acquired great influence among all classes in every part of Western India, and it will not be easy to find as his successor in the Legislative Council one who so fully represents the feelings of the community to which he belongs, and of the people of Bombay generally."

Mr. Rustomjee had knighthood conferred upon him by H.M. the King of Portugal in acknowledgment of his large benefactions at Damaun, and his efforts towards agricultural enterprise in the Goa territory, where at one time he had a large estate.—*April* 15, 1872.

COTTON MILLS AND LIFE COMMISSIONS.

PROBABLY a large proportion of our readers, having no direct interest in spinning and weaving of any kind, may not wish to be troubled about the cares of shareholders or dazzled with the schemes of capitalists who have all but trampled the life out of joint stock enterprise in Bombay. . . . The Legislature has long since drawn a distinct line between private firms and public companies, amongst which latter class the "Bombay Royal" has been duly enrolled, being subject, moreover, to all the provisions of Act x. of 1866, in pursuance of which ordinance the scheme now proposed has to be carried out. Not only does the "Bombay Royal" clearly belong to the class of public companies, all of whose operations challenge public criticism, but, as one of the largest industrial undertakings in Bombay, it is a great fact worthy the notice of the politician and administrator. Except the Coorla Mills, which are already virtually absorbed by certain acquisitive capitalists, the "Bombay Royal" is the largest concern of the kind in this island, its capital amounting to 15 lakhs, its spindles and looms numbering 35,300 and 680 respectively, and it employs a thousand persons. Thus, while it is of little consequence to the general public what dividend the shareholders in such an undertaking may draw in any particular year, it becomes of much consequence to the permanent interests of our island community whether these and all similar mills are managed in such a way as not only to nett a continuously good profit, but so that a considerable portion of that profit shall be distributed amongst that class of thrifty persons of small means from whom it is the object of the joint stock system to draw the larger part of the funds required for those industrial and trading enterprises which are beyond the reach or customary inclination of private capitalists. . . . .

Mr. Nursey Kessowjee demands that he shall be fixed there during the term of his natural life, and salaried at a remuneration also fixed according to certain rates, from one-fourth to half an anna per pound on all the yarn and cloth turned out of the mills. In order to place the said Nursey beyond every mischance, it is provided that in the event of the Company being about to be dissolved, the first step in settling affairs is to provide the said capitalist with a pension, the amount of which is to be apportioned exactly according to the annual sums which the commissions aforesaid may have previously yielded. Then, not only is this extraordinary claimant to have the lion's share of the profit, but he is to have all possible power that can be wielded by or for the Company. The article of association which, in the usual way, reposed power in the Directors to engage employés and make contracts, is to be rescinded in order to transfer such power to the said Mr. Nursey, who, in his chair in the

Board-room at Parell, may thereafter declare "I am monarch of all I survey." Over and above the profits, emoluments, and patronage to accrue to the cotton lord of the Lal Bagh, he will, of course, in virtue of his position as biggest shareholder, draw such dividend as may chance to accrue after the Company has been bled at every vein by the beneficiaire's commissions. Such is the transformation that is to come over the Bombay Royal Spinning and Weaving Company, Limited—and which will now be more limited than ever. . . . . .

This brings up the one difficult question to be faced—how far is the law capable of protecting a minority who are voluntary shareholders in a company, and whose control over its operations must, in the main, be limited by the fractional amounts of their pecuniary interest in the concern? We have been accustomed to consider that Act x. of 1866, if only shareholders would do their duty by it, is fully adapted to protect their interests. This proposition, it seems, may be fairly called in question. Perhaps, however, there is some provision by which even special resolutions may be rescinded. Mr. Nursey is reputed to be wealthy; but in spite of this league he is making against all the chances of fortune, he may sometime decide to sell a large portion of his shares, so as to reduce himself to a minority in voting power. If, then, the majority rescind these special resolutions, what will become of the lifelong commissions and the annuity? Possibly in this way Mr. Nursey may eventually find himself checkmated; but this is a clumsy fashion of securing or recovering the rights of small shareholders; and we should like to know if the Act does provide some more excellent way to restrain the schemes of big proprietors.—*Sept.* 11, 1872.

THE BARODA RAILWAY COMES INTO ITS OWN.

AT last the Baroda Railway is to get the long-promised access to the harbour side; and this is to be done without—as seriously intended during the last gubernatorial reign—running the line through a ditch ingeniously invented, as if in scorn of the Supreme Government's exhortations to economise in railway construction. This curious contrivance to sink the line to "mean sea level" on its course in front of the Band-stand, was connected with what the Government Resolution styles "a comprehensive scheme of reclamation"—in fact, the carrying out of the more speculative portion of the Back Bay Company's grand but abortive project of 1864-5. It is now discovered that "financial difficulties attend the measure;" just as if rock or some natural obstacles had cropped up unexpectedly. And seeing that the present Resolution bears date September 30th, it may really be that the financial conscience of the Bombay Government received a severe twinge when its Consulting Engineer presented the prospective bill of costs, amounting to nearly a million sterling, that must be incurred by reason of the recent grievous disasters on the Baroda line, and the consequent sacrifice of traffic. Yet, though the unfinished and costly B.B. and C.I. Railway may be regarded as a sad sinking fund in its present condition, that is no reason for denying to it such natural advantages as are fairly available to it in accordance with its original plan. One of the more obvious and important of these is facility of access to the harbour side, and the location of its terminus close to the sea.

The Resolution, which we now publish in another column, puts an end to the wearisome see-saw that has been kept up for seven years past in regard to this very plain public works question. The terminus, instead of being on the wharf made for it in front of Grant Buildings, is to be located on the Gun Carriage Factory ground—an estate for which the Bombay Government of 1864-5 refused 75 lakhs. The factory itself cannot yet be given up, but the Company may obtain access to the harbour land side as soon as they can get their rails run across the Colaba road from the main line and the present cotton ground. At least, this is how we read the orders of Government; but the Colaba road is afterwards to be diverted, and Middle Colaba will have to be reached by an over-bridge, as proposed, we think, by Mr. Mathew. This will cross the line just to the south of the old Cooperage—one of the few remaining relics of the Company's Bombay—and the plans for the bridge are to be submitted at once. Another old relic will also be swept away in the approach to the Gun Factory, namely, Mrs. Hough's house—obtained at a cheap rate by virtue of powers under the Public Purposes Act—which, together with the grove of cocoanut palms and other fruit trees, are to be cleared off under the supervision of the Collector. . . . . .

The costs of the level crossing, the over-bridge and its approaches, are to be debited to the

B.B. and C.I.'s capital accounts—an arrangement to which the guaranteed shareholders can have no objection; but the remainder of the Colaba road diversion will be undertaken by Government—a distinction which makes little difference to the Indian taxpayer, but not a little to the Bombay citizen.

It appears that, after all that is said about Government undertaking this or the other part of these extensive Imperial works, the Esplanade Free Fund, that refuge of the destitute and resource of the extravagant, will have to sustain the whole of these national charges; to quote the closing words of the Resolution—"The Esplanade Free Fund will have to bear the cost of the roads and reclamation referred to above." This, be it known to the world, is a fund contributed by the trade and industry of Bombay, and which, as is justly considered, ought to be applied in relief of municipal taxation. But in this instance our local authorities, apparently without a struggle, surrender it to the all-absorbing, all-demanding centralising Supreme Government.—*Oct. 9, 1872.*

II.—For seven long years, nay, we might say for as long and weary a period as the patriarch served for Rachel, has the B.B. and C.I. Railway Company been striving to get to its natural base, the sea. Like two of the new lines, the Rajpootana from Delhi, and the Indus Valley from Mooltan, the Bombay and Baroda Railway was begun upside down, and far away from its "shore end." At last this wrong is to be righted, and we congratulate the Company on the success which has crowned its perseverance in sticking to the text with which its board began. The Government Consulting Engineer has now "passed" the Colaba station as sufficiently advanced towards completion to admit of traffic being dealt with in it. Therefore, from October 1st, passengers may proceed from Colaba, on the southern neck of Bombay island, all the way to Ahmedabad, in far northern Gujerat. Though there will be thousands of cotton bales that will perform this 310 miles journey, very few passengers will ever do so. But as far as the passenger traffic is concerned, the completion of the line to Colaba will prove of very considerable local importance. It will afford a cheap and ready means of transit from the populous portions of the city on its north-western side, relieving the crowded bazaars and facilitating business transactions in the cotton season. With the opening of this terminal station, efforts will, we understand, be made by the Agent to expand and further accommodate their general "local service" of trains which run through the island of Salsette and into the northern Konkan, a little beyond Bassein. . . . . .

But the extension of the Baroda Railway right up to our harbour side re-opens proposals which, in spite of that very big lion in the way, the Port Trust, may result in considerable relief to the Bombay steamer trade. We allude to the offers made by the Agent and Chief Engineer of the Company—now, we believe, put in somewhat different shape and renewed—according to which they propose to erect a pier running out either from the site of their own terminus, or a little further north from the Apollo wharf of the Port Trust in front of Grant Buildings. One strong inducement for Government to favourably consider this proposal is that the Railway Company already possess nearly sufficient material in the shape of piles and girders wherewith to build the pier. And this is no mere flimsy jetty, but, according to the plans, must be a very substantial structure, sufficient to ship a considerable proportion of all the cotton sent from Bombay in a season, and also to land most passengers and mails. The accommodation for shipping is to be given by means of a double T head, to which, inside and out, eight vessels can be moored at once. The ships are to be in the direction of the stream, so that there shall be no difficulty in working their cargoes, whatever the state of the tide. As is well known, deep water can be reached from the Colaba site at less distance than from any other point on the harbour; but even here the pier will require to be 1,200 feet long. At that distance it is confidently believed that depths can be reached, commanding 24 feet at low water, which will suffice for all requirements. . . . . .

Whether these proposals, which are so promising for the trade of the place, will get any fair hearing is necessarily doubtful in the present anomalous condition of our harbour side affairs. We have spoken of the Port Trust as the lion in the way; but that was too far respectable a comparison. If it "keeps on" doing nothing to provide facilities for trade, while its levies and its embargo forbid others from giving us the "one lift from ship to shore," it can only earn the title of "dog in the manger." But this depressing and

ruinous policy cannot be maintained. It must soon give way at some point. We would fain hope that the demonstration which the Baroda engineers are ready to give of the feasibility of providing cheaper and handier accommodation for European shipping, may prompt His Excellency Sir Philip Wodehouse to make an effort to relieve the port of the nightmare from which it cannot be relieved by any probable extension of trade. Should this emancipation be brought about by reason of the Baroda Railway coming into its own foreshore, we may justly feel some satisfaction in the result, seeing that this journal has steadily upheld the policy of distributing, rather than concentrating our large staple trades. —*Sept.* 29, 1873.

COTTON AND OTHER PRODUCTS.

LAST Friday we gave a small extract translated from a vernacular daily, in which the writer, deploring the adversity that has befallen many connected with the staple trade of Bombay, attributes the present decline of our prosperity to "European firms paying prices [for cotton] in Bombay larger than those ruling in Liverpool." He remarks that "the number of European firms dealing in cotton being great, the rivalry is, of course, very hot"; and he avers that this "scrimmage," as the football men say, amongst European traders has "driven out native merchants from the field." The Guzerati writer does not discriminate between merchants buying cotton on their own account, and shippers or consignors; and in various respects the paragraph being incomplete, it does not admit of exact correction or reply. When the native journalist states that "the cotton trade of Bombay is not *bonâ fide* trade, but speculation," there is a "good deal in" what he says, but there is also a good deal out of it which is very important to be known. The writer—like many more, who, whilst writing and talking so much about the decline of Bombay, fail to explain why the city takes so long in being ruined—is speaking of the cotton trade as it was, of the old easy-going methods, which merchants, some European and many native, by adhering to them too long, have found very unprofitable. It has been too much the custom for native merchants to buy only by sample, and with little or no inspection of the bulk; and, on the other hand, for some European firms and banks to accept risk on consignments with little regard to the intrinsic value of the shipment, and depending really on the presumed, but unspecified resources of the consignors.

Those who still drift along with this loose slovenly system have usually a spice of the speculative spirit in them, and are always hoping that cotton bought for eightpence here when quoted a fraction less in Liverpool, will, somehow, turn out to be worth ninepence when it arrives. . . . . .

Successful merchants are men who not only understand their business, but assiduously attend to it; and in these days, when the course of trade between Europe and India may be said to average little more than six weeks, and when the telegraph permits of the completion of transactions within as many days as months were formerly required, international trade demands, and in some cases receives, a mode of treatment which in precision and promptitude resembles scientific operations. If the statement were true that "the European firms of Bombay have mostly monopolised the cotton trade and driven out native merchants from the field," and in so far as it is true, the cause must be sought in the superior business aptitude displayed by European merchants in the special circumstances of the present time. Doubtless some Parsees and Banians will gradually get into the new methods of doing the European cotton trade; but, as some years will be required before they can accommodate themselves to the new way of business, native merchants will, in the meantime, find it most to their account to sell their cotton on the spot, make sure of their money, though at a small profit, and forego all risks. Many of them are not willing to do this. . . . . .

Having thus, in effect, put in a protest against the cry, "Down with cotton," which every other man in Bombay is now repeating, it may be well to consider a moment how much substance there is in this popular clamour. Seeing that there is at last an eager and appreciative audience, we wish it were possible for us to reproduce one tithe of what—in days when nothing but cotton was thought about—has appeared in these columns urging cultivation of other products, and prompting search after "neglected sources of wealth." If half the exclamations now uttered on these topics really indicate so much intelligent determination, it would "pay" some one to look through our files, so as to ascertain in what

direction the cotton-haters must look for the investment of their spare capital and the exercise of their hitherto ill-spent energies. But no searcher of our columns will find that we ever counselled the sacrifice of cotton, unless something less bulky and more valuable could be grown in its stead. Many times has the improvement and better treatment of the staple been advocated, but we believe it has yet to be shown that any export product that can be grown as "rotation crop" in Western India will serve our purpose better than the fine kinds of cotton. If the cultivation of these varieties be made to supplant the short-stapled, dirty sorts which have brought the name of Surats into such disrepute, then some good will be done; but to throw up the cultivation of cotton in order to urge on rash experiments in other productions, would be suicidal. And even so simple an operation as the substitution of one kind of cotton for another requires some outlay, considerable in the aggregate; but whence is the capital to come? The chief reasons on behalf of multiplying the varieties of our exports are social rather than commercial; it is the ryot's interest, rather than the merchant's, that we have to think of. . . . . .

It will not do to affirm that, owing to the tenure of land in Western India, this diversion of capital to agriculture is impracticable. There *are* ways in which the fertilising streams might be turned into the thirsty mofussil; but this would require close study, much patience, and considerable taking of trouble,—all of which your British merchant hates most fervently. Indigo was once produced in Guzerat to a considerable extent, but the cultivation of the plant was put down by a maharaj, or some faqueer preacher. Jute might be grown largely both in the Guzerat rivers and near the back-waters of the Malabar Coast; but probably the "sunn" hemp, which for thirty years past has been crying out to be exported, might suit still better. The books of Forbes Royle, and half a score more, teem with suggestions towards extending our export list and improving the condition of the ryot; and Mr. Allan Hume, of the great Etcætera department, in reply to any sensible inquirer, will supplement those suggestions with the latest possible information. But two requisites are still wanting —first, on the part of the capitalist, European or native, the faculty of much painstaking; second, as regards the ryot, a sensible addition to his capital. Whence shall come these?—*Oct.* 24, 1872.

THE NEW MUNICIPAL ACT.

TO use once more a useful phrase which is fast degenerating into a slang term, the Municipal Budget left behind by Mr. Peile is eminently one that pertains to a transition period. . . . The old Act has for three years past been condemned to extensive amendment under three heads—of reduced cost in administration; more control over the executive; introduction of some self-acting citizen organisation. The new Bill effects as little as could be done in any of these directions; but whatever may become of it, the steps taken cannot be retraced. The extravagant scale of remuneration under the old Act will not be reverted to, nor will the unlimited spending powers enjoyed by the first Commissioner be permitted to any other man. Therefore, whatever may happen to the Poona Bill, we may count upon sufficient facilities being in some way granted to the citizens for expressing their views on the provisional or transition Budget now put before them.

In any case, there is a big bill for them to meet, and there is no time to be lost in ascertaining if any abatement can be obtained, and, then, how the ways and means are to be supplied. Mr. Peile, perhaps a little too much after the fashion of revenue officers, assumes that there is no help for it, but that everything put down in the account must be paid. And it is well that we should face our difficulties; so let us glance at the principal items that now frown upon the ratepayers of this city. First, there is that terrible dead-weight of debt and interest. Rs. 7,44,965 out of a total expenditure of Rs. 32,88,958 "has to be appropriated for interest and repayment of debt." . . . . . .

It may be remembered that when, in virtue of Sir Philip Wodehouse's wish not to press unduly on the city, the term "surface drainage" was embodied in the Bill, our elder daily contemporary took occasion to point out that "the law" knows nothing of that phrase which is so well understood of engineers. It appears that the dread entity, "the law"—being, we presume, that train of superstitiously followed precedents called English common law—insists that the word "drain" means sewers, and fails to take account of essential differences in climate, physical circumstances, and climatic conditions. As the Bazalgette *cloacæ* have not quite decimated the juvenile population of London by diphtheria and

scarlatina, we "must," say Mr. Peile and Mr. Justice Green, "contemplate" similar works for Bombay. This is a nice prospect, but is one that should be looked at. . . . . .

It may be as well to refer here to the entry in the Budget of Rs. 21,899 for the "Marine Street sewer." The sum is not a large one, if any good were to be done by it; but how if the contrivance in question is but an extension of a noisome poison retort? The said sewer is, we suppose, needed to complete "the Fort system of experimental drainage," if, indeed, that horse-leech scheme ever can be completed; but we submit that before another rupee is voted for this sewer, an independent inquiry should be instituted in order to prove whether these Fort drains have done more harm than good. Deliberately devised for the reception of night-soil, they are, we believe, constructed almost as well as any sewers need be, and money enough was spent on them; but there can be no mistake about their noxious influence. The "experiment" has succeeded to demonstration in that respect, though in a large number of the Circle houses the water-closets have been nailed up and the safer primitive method reverted to. Several deaths from diseases new to India have occurred within the influence of the pestilential "experimental system," and it is too probable that other cases of similar diseases manifested on Malabar Hill and elsewhere have had their origin in the "Fort experimental drainage system." Before this Marine Street sewer is put in, we claim, on sanitary grounds, for the intervention of an authoritative and impartial inquiry into the working of this hydraulic sewerage, which is now poisoning the atmosphere of several of the more confined streets in the Fort.

To step from this odoriferous topic to the Commissioner's remarks written justifying the high grants proposed for the Health Department seems quite in order. . . . The death returns, being absolute statements, are not, we know, affected by the revelations of the last census, which showed that our municipal authorities have been getting credit for a much lower rate of mortality than really existed. But is it not possible that the higher bills of mortality displayed during the last few months have been due rather to some better plan of collecting facts, and enumeration of them? Is it not very likely that just as many deaths took place in previous years, but that they were not brought to account? This, and several other close questions relating to the vital statistics of Bombay, would be brought out by an inquiry directed along the lines followed by the Health Department; and it is exceedingly desirable such an investigation should be promoted before the din of electing the new Corporation arises. . . . . .—*Oct.* 26, 1872.

The Police-rate Injustice.

If —There is one subject in respect of which all our citizens are agreed in their case against the higher powers on behalf of the Municipality and in the interest of the ratepayers. We allude to the arbitrary arrangements regarding the Police revenue and expenditure. In these, Bombay city realized the bitterness of that piece of statecraft, the sham decentralization of the Temple-Strachey *régime;* but now in the present Bill the hardship then inflicted and the despite done to the most elementary notion of civil rights are stereotyped. It is impossible, indeed, that there can be permanence in a measure which compels the citizens to pay all the expense of its constabulary, whilst denying them the slightest voice in determining the organisation or fixing the extent of the force; but such is the law at present, or as sought to be fixed by the Bill III. of 1872. All we can do now is to accumulate testimony against a scheme which arbitrarily affects both the revenue and expenditure side of the Municipal accounts. An arrangement which is essentially and utterly unconstitutional can never stand, were it to receive the sanction of Governor, Viceroy, and Secretary of State twice over.

Strong in this conviction, we think it well worth while to draw attention to the concise and careful statement in this Police question made by the Hon. Mr. Mungaldass on the occasion of the third reading of the Bill, as reported in our paper of Saturday last. Though not occupying more than a quarter of a column, we venture to say that the honourable gentleman's statement of the case on behalf of the Municipality is irrefutable; and, regarded as an alternative proposition, it is all but exhaustive. If, as put by Mr. Mungaldass, Government declined to allow the Corporation any control over the police expenditure, then the autocratic authority ought so far to impose a check on itself as to assure the citizens that the three per cent. entered in the Bill as the maximum figure of police rate shall not be exceeded in outlay; while, if that limit is disregarded, it is very clear that the excess should be provided from other than city funds. . . . But we have already sufficiently indented on the Hon.

Mr. Mungaldass's speech, and the topic we are discussing is one too grievously familiar to our citizens. As finally put by the honourable gentleman, the case stands thus: the yield of the three per cent. police rate would be Rs. 3,92,000, to which add Rs. 12,000 to be raised by the new tax on fire insurance companies; but the expenditure, as it stands for 1873, amounts only to Rs. 3,77,000, so that there is a surplus estimated for. If Government, in its insatiable desire for patronage, chooses to increase police expenses above that limit, it is only just that the excess should be provided from other sources. Mr. Mungaldass's amendment proposed that the excess, beyond the three per cent., should be met out of provincial revenue. So entirely reasonable and fair is this proposition, that the vote against it could only have been prompted by hardihood and the imperative obligations of officialism. We are glad to see that six members of Council voted with Mr. Mungaldass, but there were seven on the other side of making the city pay to an unlimited extent for expenditure over which it has no control.—*Nov.* 6, 1872.

Exempting the Few, Taxing the Many.

III.—The Municipal Act of 1872 is already producing its bitter fruit of fiscal injustice and class aggrandisement. The Town Council propose a reduction in the house-tax of one per cent.—presumably without any corresponding reduction in expenditure. Not only has this class-dominated committee relieved the persons best able to sustain civic burdens of nearly two lakhs of taxation, but it has transferred that burden to trade and to the shoulders of consumers. It is true that only lakhs, and not millions, are concerned in this civic finance of ours; but the principles proceeded upon and the effect on rate-payers are not only of vital importance within the area affected, but also as furnishing an example, for good or ill, to other large Indian towns. Considered in this light, if we are to find a parallel to the action of the Town Council in this, its first essay in apportioning municipal burdens, we must go back to the worst times of the old Tory and Corn Law Parliaments. Of course, we are aware that the Council only manipulates the Budget as presented by the Commissioner, and that the Corporation will have to pass the final votes on revenue and expenditure; thanks to the narrow franchise under the Act and to the deplorable mistake of counting only one vote from each elector, the same overwhelming class bias which is conspicuous in the Council also overbalances the Corporation. . . . .

No attempt appears to have been made to revise or keep down the larger salaries; and much remark will be elicited by the contrast between the princely Rs. 1,950 of the Commissioner of Police and the Rs. 850 for the laborious auditor and accountant. This latter figure may be about the "present market price" for an able accountant, but we believe the incumbent was given to understand that his salary would be Rs. 1,000. However, this is merely a personal question; and we may here take leave for the present of the whole discouraging subject of our "reformed" municipal polity.—*Oct.* 25, 1873.

A WHITE ELEPHANT FROM WESTMINSTER.

EVERY effort and project towards utilising, more comprehensively than hitherto, the great natural advantages of Bombay Harbour, necessarily invites attention. The tendency with old habits and settled interests is, indeed, rather against proposals which concern "the other and larger half of the harbour." Merchants are accustomed to have their godowns within a stone's-throw of their offices, and the existing establishments of the Dockyard and Bombay Marine have always repelled the notion of their being exiled six or seven miles off to the inhospitable shores of Butcher and Hog Islands. We are not anxious just now to bring on the era of their banishment; but it is well known that the India Office—without any careful consultation with experienced persons on the spot—some time ago resolved to carry out a very important experiment in marine and mechanical engineering on the shores of Hog Island. This is the project to provide appliances whereby the large Indian troop-ships may be lifted out of the water to be repaired and scraped. Instead of the old plan of floating the vessels into an excavated dock, out of which the water is afterwards drawn by tide or steam pumps, the vessels themselves are to be lifted by means of Clark's Hydraulic Lift—a marvellous apparatus used for some years successfully at the Victoria Docks on the Thames. . . . The Lift would raise a weight of 6,000 tons five feet in half an hour; and, indeed, there is no occasion to doubt

the effectual force of a power which raised the Britannia and Conway tubular bridges. One argument strongly urged by Mr. Clark in favour of his plan is the short period occupied in constructing pontoons and Hydraulic Lifts compared with the time consumed in excavating and building masonry graving docks. It is to be feared that this advantage will be neutralised in the present instance, when all the material has to be brought from Europe, and where inconceivable difficulties arise in constructing and working complicated machinery. These difficulties had scarcely been fully appreciated by the India Office when, with very inadequate inquiry, the bargain was struck with Mr. Clark; and it may yet be two years before the troop-ships can be cradled at Hog Island. With the exact terms of the contract we are not acquainted, but it seems rather a one-sided bargain that the patentee and contractors are not made to share the responsibility of working the system under these new and untried conditions. The sum which it is understood is to be paid for the one pontoon and Lift complete is £240,000. For this sum competent engineers on the spot could have excavated and finished three ordinary graving docks, which would have held the three troop-ships at one time, and been available at reasonable charges for all other ships. Had this contract, which is virtually adding another quarter of a million to the cost of the troop-ships, been one likely to be canvassed in Parliament, we are inclined to think more pains would have been taken to arrive at certainty beforehand. But though they are only Indian revenues that are concerned, we trust some of our vigilant friends at home will keep an eye on the progress of the costly experiment.*—*June* 22, 1869.

THE PRINCE OF WALES IN INDIA.—A PREMATURE FORECAST.

MANY have been the statements, surmises, and contradictions recently abroad in the Indian Press relative to another Royal visit to this country in the course of next year. It has not seemed to us worth while taking part in the balancing of conjectures, wishes, and objections that this proposal has elicited. The whole thing is very intangible, and the discussion has its base in air. Probably the following extract from one of our private letters from home will be found as near the mark as anything that has yet been written on the subject:—"A telegram comes from India to the effect that the Prince of Wales is to go there in 1871. The facts are these: Sir Seymour Fitzgerald wishes him very much to open the Grand Oriental Exhibition at Bombay in the cold weather of 1871. The Viceroy has invited His Royal Highness, who would himself like to go. But this is a question for the Cabinet to decide; and my impression is, that they will not hear of it." Our correspondent adds, sententiously, "and I think they are wise."

The wisdom or otherwise of such a visit we need not discuss here; but if it is to depend on the holding of an International Exhibition in Bombay within the next two years —on such a scale of magnificence as we have heard hinted at—there is not much chance of the Prince seeing Bombay, unless he chooses to come in *mufti* as Baron Renfrew. As to our Grand Exhibition project, the Emperor Napoleon has given that the deathblow. What our speculative cotton merchants have left undone towards the embarrassment and depression of Bombay, the European war will effectually supplement. No doubt in due time the city will rise again like a cork; but nothing short of the discovery of gold diggings in that faithless Toolsee Valley, or a pearl fishery on the Prongs, will avail to restore us to the Exhibition level within the short space of eighteen months. So that imagined glory must fade away into the dim future. Another consideration is, that, as Exhibitions have been a little overdone, it may even be possible to make Princes too common.—*Aug.* 6, 1870.†

* The experiment has been condemned by results, and is a standing caution against Indian public works—especially where large ironwork contracts are concerned—being initiated in England. By the time the Lift was set up, the success of the Suez Canal had been demonstrated; and it was then found that the troop-ships could pass through it, as they have done ever since; so that there has been no difficulty in their being repaired at Portsmouth. It was also found that, thanks in great measure to the skill and care of the dock-masters at Bombay, these huge vessels could be taken into the old graving dock there. Thus the outlay on that "White Elephant," nearly £400,000, was utterly thrown away. There is just now (1884) some talk of its being purchased, at a very low price, by the P. and O. Company for repairing their vessels.

† Noting the above date, it may be well to record here that, as all the world knows, the Prince entered on his tour through India in November, 1875. As to Grand Exhibitions, Calcutta had the first turn in 1882-3, while Bombay bides her time in 1887, having consented to wait until after the Imperial Colonial and Indian Exposition, due in 1886.

LARGE SLICE OF BOMBAY TRADE IN DANGER.

THE cotton exports of the Berars may be taken in round numbers at 200,000 bales. All this produce comes through Bombay; it comprises some of the finest samples of the Indian staple; and, altogether, the Berars cotton field is of immense importance to the Bombay trade. Our merchants would be considerably disconcerted if they were told that, by some new scheme of communications, the Berars cotton exports, or a considerable portion of them, were about to be diverted to Calcutta, the import demand for those provinces being also to be fed from the Hooghly, or, say, from Cuttack. We have seen what pains the Chamber of Commerce has taken to induce the G.I.P. Railway authorities to meet them in rates of carriage and provide facilities for doing trade between this western port and Hindustan proper. But the commerce that could be done by Bombay merchants beyond Jubbulpore and west of Allahabad, at least the export trade, is very small compared with that of the Berars.

Now our mercantile friends must not be discomposed about their Oomrawuttee and Hinghenghaut. We do not think that either the Mirzapore extension or the Raepore tramway will, in our time, disturb the flow of these staples Bombay-wards; but a commerce three-fourths in amount that of the Berars, and which Bombay claims as her own, is at this moment in danger of being diverted to the eastern coast of India. . . . The trade to which we refer, as being from half to three-fourths as valuable as that of the Berars, is that of the Dharwar districts. The exports of the two cotton-fields in 1871 were, respectively—Berars (including the Central Provinces), 274,340 bales; and Dharwar, 148,100 bales. This figure for the South Mahratta country is considerably more than the yield of Broach and Surat, or Guzerat proper; and as the present season is a very favourable one, we may anticipate that in 1873 the Dharwar and Compta exports may creep up towards 200,000 bales. . . . . .

Well; we believe, the Madrasees, or certain energetic men of that ilk, are now pushing on the Bellary to Gudduck project, and under precisely the same personal circumstances as those which the then excited popular opinion in Bombay associated with the original project for the rail from the Malabar Coast to the Dharwar districts. But the circumstances of the Bellary line do not include the one grand advantage of *direct* communication between fertile grain and cotton districts, and the *sea*. Here let us quote a line or two from the *Bombay Gazette* of 1869: "A railway from Carwar into the Dharwar region would immensely strengthen our position in the Southern Mahratta country, in a political as well as a military sense; for it would provide a base that could never be touched while we hold the *sea*. . . . Here the true principle was adhered to (by the Commission of 1846)—to get by the best and expeditious route *to the sea*." The Madras gentlemen who are now working underground so assiduously will, we trust, have some difficulty in persuading even the impulsive Duke of Argyll that it is a sensible thing to drag produce over 400 miles of railway to a bad port on the east coast, instead of over 130 only and to a good port on the west coast. Nevertheless, great is the power of underground persuasion; and if a large slice of trade that ought to belong to Bombay goes to Madras, the future merchants of this port will have to bless with a vengeance the gallant 22 of last July's Chamber. . . . . .

We will just state the distances referred to, premising that our figures are the cart road routes: the railway might be ten per cent. shorter in each case, though we believe the gain in mileage would be much greater on the route to the sea:—

Gudduck to (the sea) Carwar	.....	135 miles.
Do. Sholapore	.....	200 ,,
Do. Bellary	.....	110 ,,

To make the comparison complete, we must remind our readers of the railway distances to the sea from Bellary and Sholapore respectively. In the former case it is 305 miles; in the latter, equal to 314—this is adding the 32 miles for the extra ghaut traffic charges. Thus it will be seen the Madras roundabout line has the advantage over the Bhore Ghaut utilization by *nine* miles, to which may be added somewhat cheaper working to set against the tar better port of Bombay. But again, when the Sholapore and Bellary extensions are added respectively—200 in the former case and 110 in the latter—making 514 to Bombay and 415 to Madras, the scale turns largely in favour of Madras; that is, if the national credit and the producers' profits must be wasted on *any* circuitous route. . . . . .

But what comes of these strained and wholly artificial comparisons when we point out,

for the fiftieth time, that at the end of the 135 miles from Gudduck, the heart of the Dharwar district, and passing through the great mart of Hooblee, is a safe port, and the open sea? By the direct route, with only one-third of the railway distance, the cotton and grain of fertile Dharwar get to that cheap highway of nations, the open sea. To minds free from local bias, the question of the alternative route for the export and import commerce of the South Mahratta and Canara districts does not admit of argument; and we trust that when the two Madras emissaries get to Westminster they will find the truth made plain to them. . . . . By the way, where is Mr. Havelock's report on the Carwar project? It ought to be a document of very great value in all our present Indian railway problems.—*Jan.* 29, 1873.

MADRAS OR CARWAR?

II.—Frequently we have had occasion to notice the commendable qualities that may often be traced amongst the public men of Madras, both in and out of the Services. If we could only shut our ears to the family jars, and those too frequent petty abuses in the dispensing of patronage of which our contemporaries there let us hear, perhaps, a trifle too much, we would rather go to the southern Presidency than elsewhere in search of dispassionate counsel and sound conclusions on most topics of general interest in India. The Madrasees have solved one chief division of the irrigation problem; they built their railways and work them more cheaply than can as yet be done in other parts of India; and, at the Presidency city, they transact their foreign trade behind an ever rolling surf and with shipping appliances that must date from the days of Noah. The practical, thrifty, yet withal wide-awake characteristics of the Madrasees come out, also, when they apply themselves to the topic of internal communications—which is nearly the most important of all the industrial and commercial questions of the day in India.

When a few Bombay merchants, not knowing their own interests and ignoring that of their successors, stirred up their too easily prejudiced brethren to try to substitute, for a simple practical project which will give something like a fair trade to Bombay, one of the most wasteful schemes ever devised for the transport of produce, then the Madras men, or two or three of them, saw their opportunity. Mr. L. Strange and his memorandum on the extension of the Madras Railway from Bellary to the Dharwar districts would never have been heard of, but for the extraordinary proposal to "utilise the Bhore Ghaut incline" as a means of communication between those remote districts and the sea. Though it seems to us that the statement of Mr. Strange's proposal—to haul produce 400 miles to a bad port, when a good one might be reached over a line of 200—is sufficient to condemn it, we must not forget that this minute by a Madras merchant was fatal to the extravagant notion of dragging 150,000 bales of Dharwar cotton nearly 600 miles round by Poona and Callian. It is true that this proposal is again dallied with in a weak and fitful way in paras. 50 and 51 of the Committee's Report; but no impartial authorities responsible for the expenditure of public money, and taking thought for the claims of the producer, would ever accede to such an unnecessary sacrifice in the price of produce. . . . . .

It appears that in the second portion of his paragraph the writer gives up the case which he assumes at starting. The "decision arrived at by the Bombay Committee" is, "that they express an opinion in favour of a railway from Carwar to Bellary which practically meets the case" raised by Mr. Strange for the exploitation of the country between Bellary and Gudduck. But, as the *Mail* correctly remarks, "Mr. Strange's estimate is based on the supposition of a line from Gudduck to Bellary, not from Carwar to Bellary." That supposition being diminished by the decision in favour of the latter project, what becomes of the 135,000 bales—including, we may remark as a speculative touch on the part of Mr. Strange, "65,000 from the whole of Dharwar proper"—which the Madrasees in their vision beheld whirling away to the surf-bound port? It must be plain to most observers that not only will the 135,000 prefer the shorter ride, but that all of the 20,000 bales now going over the Madras line, which are produced around Bellary, will also be drawn westward by the irresistible attraction of cheaper rates. It would appear from Mr. Strange's statistics that there is very little export cotton grown east of Bellary, near the Madras line; but there must be grain, seeds, or, perchance, more valuable articles which will better bear a long railway ride; and it becomes a tolerably easy calculation as to how far the suction of Carwar will operate along the Madras line. Thus, the whole distance from sea to sea being 532 miles, Carwar may be expected to draw produce 265 miles; and this, it will be observed,

would include not only every mile up to Bellary, but 70 miles on the Madras Railway—that is, as far as, or beyond the junction at Goondacul. . . . We will put the whole case in such a comprehensive shape, that our reasonable friends at Madras must admit the unwelcome conclusion towards which we pointed in the brief query that has furnished the *Mail* with its text. The distance from Carwar to Gudduck will be 144 miles; and to reach the outside of the Dharwar cotton fields, other 50 miles towards Bellary might be taken, so that the total distance to Carwar would be 194 miles. Even supposing that the Madras Railway could carry for 1¼ annas per ton per mile, the cost of cotton from the Dharwar districts to Madras would be:—

Total cost railway and shipping per ton at Madras	Rs.	36	1 9
As compared with Carwar	Rs.	25	5 3
Difference per ton in favour of the Malabar Coast.....	Rs.	10	12 6

Now will not our Madras friends be satisfied on the main question?

The writer of the paragraph we have quoted appears to be convinced in his own mind, but puts forward two or three pleas by way of breaking the disappointment to Madras. These are—(1) The south-west monsoon will arrest shipment westward, and therefore divert much of the crop to the eastern port; (2) the bulk of the crop would not be ready for shipment until after the break of the monsoon; and (3) the line may be commenced from both ends at once, and as Gudduck can be reached from Bellary before it can from Carwar, "Madras will in all probability have to ship the bulk of the Dharwar crop for a time." To take the last first: one of the special facilities for making this line, as recognised even by the unwilling reporter, is that it can be commenced from the sea as a base for the supply of all foreign materials. Besides this, it may be remarked that Mr. Shaw's estimates allow for the expense of carting permanent way material to the top of the Ghauts, so as to commence and work the paying and easy portions of the line as soon as possible. Hopes numbers 1 and 2 may be disposed of in a line—there is abundant evidence to show that square-rigged vessels, and especially steamers, can enter and leave Carwar harbour at all seasons of the year, except in the few days just at the burst of the monsoon.—*Feb.* 21, 1873.

THE HIGH COURT BARS THE WAY TO JUSTICE:

THE MEDITERRANEAN BANK EXTORTION.

THE Hon. Justice Green* disappointed a good many persons in the city last Tuesday when, in the case of one Nusserwanjee Shapurjee Parakh, a victim of "the Mediterranean Bank," his Lordship barred the way to the Court of Chancery—the tribunal where the decree he was administering had been passed, and in the city where the rascality connected with the said Bank was concocted. We know nothing of this Mr. Nusserwanjee; and the great majority of the wretches still awaiting execution on behalf of the swindling institution which Mr. Justice Green so tamely allowed to have its way, must be persons of no social account, but every one in Bombay knows how grievously they have been wronged. It is not so much their cause that has to be considered as that of English commercial morality, and, above all, the functions and obligations of our highest Court of Equity. We submit that in this instance it was not only in his Lordship's power, but that, sitting as a Judge in equity, he was bound to make way for the effort apparently being made once more to bring the discreditable business of the London and Mediterranean Bank to the test of close and impartial revision in the Court where the order of July, 1866, was made without adequate information. In raising this question as to the fairness and wisdom shown in the decision of Mr. Justice Green, we do not care to travel beyond the record, as contained in our report of last Wednesday, where may be read in brief Mr. Inverarity's able argument checked by Mr. Macpherson. The application was for a postponement of the case, in order that the defendant, Mr. Nusserwanjee, might obtain evidence by means of a Commission to England. His counsel contended that the amalgamation of the London and Bombay Bank with the insolvent concern called the Mediterranean Bank, being a fraudulent act, was void, and therefore the amalgamated Company in which he says he is not a shareholder could have no right to sue him. Mr. Inverarity, moreover, put forward

* The Judge spoken of in the above extract—the Hon. Philip Green—ten years later perished in the earthquake at Ischia.

this very substantial-looking contention—namely, that the winding-up order of July, 1866, was obtained without defendant's knowledge, and that the circumstances connected with the amalgamation, especially the absorption of an insolvent concern, were not brought to the notice of the Court of Chancery when its order was made. In reply to this, the Judge in the first instance demanded that the defendant should pay the amount of claim into Court, and though he was not then ready, it seems he was willing to do so. On the counsel going on to describe the fraud practised on the Bombay shareholders, his Lordship again stopped him by saying that the Bench had heard all that before in the case of Hormusjee Pestonjee. This the counsel admitted, but replied that in his client's case the defence went much further, inasmuch as he entirely disputed the validity of the winding-up order, and only asked permission from this Court to go forward and substantiate his contention in London. Mr. Inverarity further observed that there had been no opportunity of contesting that order, and urged that now that step should be taken. . . . . .

The decree fell like a steam hammer; and though Mr. Inverarity again pleaded for stay of execution pending the result of proceedings to be taken in England, the Judge was inexorable, and gave the liquidator his pound of flesh.

The result of this case is very discouraging to those who believe that our Courts of Equity are open to all who can afford the immense expenditure of time and money which is required to push a case through to judgment. Here at last had turned up one of the victims of a destructive swindle, who was possessed of means and was apparently prepared to test the validity of the decrees that have caused untold suffering in Bombay, but the High Court repels him and bars all chance of redress. The wealthy contributories have compromised their calls and left in the lurch all their poorer fellow sufferers. This course might be precedent, but it certainly looks shabby, and this aspect of the shareholders' woes was also known to the learned Judge, who has, on more than one occasion, allowed expressions to escape him indicating that he cherishes a just feeling of reprobation against the iniquity involved in the amalgamation with the Mediterranean Bank. Why, then, did not his Lordship, when the chance was afforded him, give opportunity for research to be made and justice done? It is bad enough to have the Asiatic and Commercial Banks still harassing the people; but the pillage by the London and Mediterranean is so utterly scandalous that our Judges and Courts would be more than justified in allowing every technicality, every available plea, to work in bar of any further spoliation of the unfortunate shareholders.—*Feb.* 12, 1873.

THE BLACK ART AND THE PENAL CODE.

THERE appears to be a good deal of misunderstanding as to what is being done amongst counsel and legal functionaries in regard to what is likely to be attempted in the matter of *Regina* v. *Pestonjee Dinshaw* and *Succaram Raghobah,* so that it may be as well to explain the position of affairs without needless technicality. And here let us remark that the public care nothing for legal quibbling and technical definition such as some clever person has applied to our paragraph on this subject in Saturday's paper. It appears we committed a grave error in speaking of a "re-trial," which, we are assured, "is wholly out of the question, and cannot be asked for." Considering that many importunate and impertinent persons are constantly asking for what they are not at all likely to get, it might be possible that the said Pestonjee's friends, if he has any, would in their ignorance apply for a "re-trial." It seems we ought to have said a "review" of the trial, or of some portion of the procedure connected with the hearing, summing up, and charge or verdict. . . . .

It will be said, why should such pains be taken on behalf of Pestonjee, whom more than half the city holds to be guilty of a heinous crime, and of whom no one can be found to speak a single good word? That query may be met by pointing out that on the law and on law-makers rests the responsibility for allowing this attempt at rescue and relief being made. Pestonjee has succeeded in drawing towards himself such a chorus of detestation, and has provoked such an unanimity of reprobation against him because of his general misconduct and cunning acts, that the popular vote would cut short all discussion as to this particular decision by the sentence—"Serves him right." But the law, which is just as well as stern, acknowledges that even convicts may have rights, and this argument equally affects the little known Hindu called Succaram, against whom there is no popular cry of vengeance. British law was not made for either of these men, but for society at large, which it aims to secure from harm and menace; but it aims to do this without perpetrating injustice in any

particular case. Moreover, though the proposition be trite, it must be repeated—to wit, that moral guilt is one thing and criminality is quite another. The popular mind, imbued as it is with honest impulses, and anxious that the right should prevail, is constantly apt to confound the distinction between sin which stains the soul, and offences against society which bring a man within grasp of the law. None of us can hesitate for a moment in pronouncing the soldier morally guilty of the crime of murder who presented a loaded musket at his comrade and only missed blowing his brains out because in his hurry he had forgotten to cap the piece; but if we mistake not, the Bombay High Court held that the conviction of the would-be assassin could not be sustained under the section of the Penal Code (307) which commences: "Whoever does any act with such intention or knowledge," &c. . . . Now, however certain we may feel, from the neat little drama in the fakir Kakeshaw's dingy lodging, so cleverly opened up to us by the police, that Pestonjee and Succaram urged the said Kakeshaw to do mortal mischief to the two De Gas, none of us believe that the course suggested was equivalent "to an act capable of causing death in the natural and ordinary course of events." We may consider that Pestonjee had full confidence in the potency of the black art, and that therefore he was at heart a murderer; but in nearly every section and illustration in the chapter of the Penal Code on doing bodily injury and homicide, besides "intention and knowledge" on the part of the culprit, the law requires that the "circumstances" shall be such as would secure the completion of the offence. This ordinance may appear to afford impunity to wicked men, but the law must be held to be wise, just, and true, though it often falls short of satisfying the virtuous instincts of society, and balks popular desires prompted by an honest feeling of moral reprobation.

It is not, however, for us to anticipate the course of argument that will be followed in case the "review" of which we have spoken takes place; neither do we care to philosophise on the subtle distinctions which jurists must draw in order to prevent the possibility of injustice being done even to reprobates. In this instance anything like sympathy for the culprits is out of the question, and we may rest assured.—*Feb.* 25, 1873.

GOVERNMENT SHIRKING ITS RATES.

THE debate in our Legislative Council on Tuesday is one that should be attentively considered elsewhere than in Bombay, though the pinch of the decision arrived at by the Council will be felt only by our own citizens. Apart from the general question of the equity and constitutional liability of Government property to be rated for local taxation—a liability which, we understand, Mr. Advocate-General Scoble still admits—there is the particular question, whether the Government of India really intends to act fairly by the costly municipalities it has set up in our chief cities? We appeal to the Supreme Government at once; for, in these days, the lack of moral courage in our public men is so obvious, and the power of social palaver to bring about weak and muddling compromises so overwhelming, that it is almost impossible to get public questions discussed and decided on their merits in the localities where they arise.

Remembering this enervating condition of the political atmosphere, all the more credit s due to our acting Municipal Commissioner, Mr. W. G. Pedder, for his clear statement of the Municipality's claims, and his firmness in maintaining them. . . . Colonel Kennedy admits that under the present Act, the amount justly due would be Rs. 53,750, and even if this sum were paid, it would leave the Municipality practically exempt from many obligations which the half-lakh section now passed will bring on the municipal fund.

We observe it was this last consideration which decided the Hon. Mungaldass Nathoobhoy to vote against the inadequate compromise; though we should have thought the case was clear enough without that. As we have had occasion to criticise the erratic and backsliding course occasionally taken by the Hon. Narayen Wassodeo in Council, we take pleasure in noting his spirited attitude on this occasion in opposing and voting against the fresh contrivance for squeezing the unhappy Municipality of Bombay. Sir Jamsetjee Jeejeebhoy's short address was dignified and argumentative, and worthy of him as a prominent representative of the resident citizens. As to the Hon. Mr. Bythell's speech, we can only remark that it was simply deplorable; and none the less so because it was an echo of the Advocate-General's remarks, in which that learned gentleman announced his own defection. After reminding us that when the Municipal Bill was before the Council he upheld the only equitable course, Mr. Bythell proceeded, with a "but notwithstanding," to

whittle away the bough on which he was sitting. The proposition that trade will be burdened if the Port Trust is not forgiven its rates, like an insolvent or a pauper, is beneath notice as an argument; and we regret to see to what a pass our promising young mercantile member has been brought. Yet this argument, preposterous as it is, affords the only plea that Colonel Kennedy and his following can adduce for this audacious proposal to convey, transfer, or annex a considerable slice of the ratepayers' revenue.

It might be alleged that the Trust will not pay if it has to sustain its establishment and maintenance charges. Of course, it will not pay. It cannot pay so long as it is saddled with (1) the cost of a railway station that ought to be debited to the Government of India's railway land grants, (2) a huge slice of unproductive building land which properly pertains to the domain of the Collector of Bombay, and (3) a number of reclamations, boat basins, and mere tidal wharves, appraised at much above their commercial value. We repeat it, that this is no mere local question. Lord Northbrook and his Executive Council must seriously consider whether they will accept the responsibility of permanently overburdening both the Municipality and shipping trade of Bombay.—*Feb.* 13, 1873.

The Executive Neglects the Municipality.

II.—The Bombay Government, by its policy of "drift" as regards the new municipal organisation, is likely to bring both itself and the city into trouble. It will, of course, be understood that in anything we have to say on this subject we do not refer to the chance of pecuniary embarrassment and financial disgrace, such as culminated in July—October, 1871, as the direct and necessary consequence of the Bombay Government shirking its plain duty early in 1869. Subject to that reservation, we have to express our apprehensions that influences are at work, both negative and positive, similar to those which have in years past rendered healthy, intelligent, and active municipal life in Bombay an impossibility. Thanks to the good husbandry of the three able Revenue officers who, since November, 1871, have filled the office of Commissioner, aided by the vigilance and painstaking of the present Controller, the municipal coffers are well filled—so full, indeed, one could wish that rules would permit of a couple of lakhs being devoted to reduction of that debt which, month by month, sucks away so much of our civic income. The cash balances, according to the statement at the close of last month, were Rs. 2,35,360. But it is quite possible for a city, as for a kingdom, to have large cash balances, and yet be suffering from political atrophy, its public spirit dormant, and to see that activity for the general good which the citizens ought to exercise under a sense of responsibility, relegated to administrative officers who mature their plans, if they have any, and, as far as possible, carry them out free from all independent public criticism. Public discussion is often tedious. The "less instructed" are apt to come to the front in force. Many things are said which grieve the discreet; and able departmental officials derive much amusement of the cynical order from the spectacle of ill-trained persons struggling with the insuperable difficulties caused by imperfect information. But those are drawbacks of manner, and all lie on the surface. In the absence of free and frequent discussion and full explanation, grave mistakes are sure to be made, and false lines of policy are entered upon which it is infinitely more difficult to reverse under a close than an open system.

This is the unhealthy state of things which is fostered by the delay in putting the new Municipal Act into gear, and for that delay the Bombay Executive is wholly responsible. . . . To whatever cause it may be attributed, the apathy that at present prevails in regard to the affairs of the city is much to be regretted on public grounds, though, as already intimated, we can conceive that the state of quiescence might suit the purposes of some classes of clever officials who have been nurtured in a proper aversion to the *vox populi*. In the present Commissioner we have a man of very different stamp, and we could not be in better hands while going through this period of hybernation, when, from a variety of influences, the citizens are reduced to a comatose condition so far as municipal affairs are concerned. And yet it affords a striking illustration of the incalculable harm that may be done when constitutional organisation is allowed to fall out of gear, that it is, while under the care of an able Revenue officer like Mr. Pedder that, as remarked by a correspondent in our Monday's paper, "Bombay will be committed to one of the most deadly things within the history of the Municipality." We believe this terse description is perfectly correct; and we regret to say that no contradiction has been given to our statements of Saturday and

Monday regarding the monstrous nuisance which some person or persons are setting up in lieu, but in aggravation of the Chinch Bunder abomination, which, however oppressive, was comparatively harmless as regards the general health of the city. That this preposterous device of deliberately putting the worst kind of sewage into a drain and then sending the stuff to meet the western breeze at Love Grove, will be ten times worse than even the ill-managed Chinch Bunder arrangement, may be readily inferred on reading a certain passage in the Report by the Commission of 1869. . . . . .

On turning to Dr. Lumsdaine's evidence, we see that an effort was made by the Chairman to shake him in his evidence; but, though a man exceedingly ready to oblige, the Sanitary Commissioner could not be induced to imperil his professional reputation. He said: "I am no advocate for sewage being passed into drains. Gases generate, and I don't know how you are to get rid of them." After another attempt (this time by Dr. Hunter) to coax him into a qualified sanction for putting "much diluted sewage" into underground channels, Dr. Lumsdaine refused to ignore the deadly "difficulty of getting rid of the gases that are generated in the sewers." Here it occurs to us to ask if, as Sanitary Commissioner for the Presidency, Dr. Lumsdaine is not now armed with a strong recommendatory authority which would warrant him interposing to stop the terrible mistake that is being made? Now that the Justices decline to meet together to express an opinion, it is difficult to know in what quarter to look for help. We have always been inclined to make light of complaints about our Executive Government going to the hills, because their retreats are so near. But if Sir Philip Wodehouse has been allowed to depart to Mahableshwar without being informed of this pestilence-promoting scheme, his absence may become the cause of his term of administration being associated with one of the most deplorable and—we say it advisedly—inexcusable sanitary blunders ever perpetrated in Bombay. . . . . —*April* 16, 1873.

THE LAST REPORT UNDER THE OLD MUNICIPALITY.

"ANNUAL Report of the Municipal Commissioner of Bombay"—with what mingled feelings one peruses that legend! First, there is the superficial satisfaction on perceiving that the generation of huge quartos is at an end. The Commissioner now presents his own report, together with that of the Controller, Health Officer, and subordinate officials, all within the manageable compass of a decent folio. Weary are our reminiscences of those now abolished square cubits of margin and report; and still more dreary are our remembrances of fruitless surveys and excursions amidst the expanse of accounts presented, which only served to render one's estimate of the Municipal financial position more uncertain than ever. It is true that since Mr. Hope's Committee, of August, 1871, reported, there has been firm ground to tread upon; but, in truth, it has been very rough, and terribly encumbered with débris of the former sham and make-shift finance. That our former tasks, in examining that which ought to be the backbone of a Municipal Commissioner's Report, should have involved severe labour to comparatively little purpose, will be readily understood on reference to the remarkable statement we find in the opening of the Controller's Report. Mr. Thorburn there remarks: "Since the days of Major Thacker this office has not been asked to furnish any report." Of course the Investigation Report, and the discussions thereupon following, precluded the necessity for any such call on the Controller's Office for 1871; but one can only accept this confession by the reforming Controller as a striking proof of the utter uncertainty of the financial system under which the city was so long allowed to groan unheeded by the higher powers.

Leaving the details of Mr. Thorburn's simple but searching review for the present, we must note the results of the year's collections and disbursements. . . . . .

There is less occasion for us here to attempt anything like a review of the whole Municipal situation, seeing that it is virtually done in the chief portion of Mr. Pedder's own introductory chapter, which we present in other columns. Several of the subsidiary reports are each in themselves worthy of special notice, which we shall not be able to bestow upon them. We partially fulfil our duty in commending them to the close attention, not only of the present Justices to whom they are addressed, but still more to those who will have to take on themselves the responsibility of working in or with the new Town

Council. There is the report of Mr. John Hutchinson, the Assessor, which bristles with facts relating to the value of real property and the condition of the middle classes; that from Mr. Fellowes, the Collector, who had to cope with an accumulation of outstandings, and whose successful exertions are very justly commended by the Commissioner; there is Mr. Walton's interesting contribution, which comprises all about the Toolsee works, and the progress made with them up to the close of last year, the distribution of Vehar water, and sundry other matters of much practical importance. Last, and biggest, is the report of the Health Officer, extending to some 160 pages, in which—in addition to the usual distressing network of tables, together with certain impressive diagrams, the usual statements about garbage removed and drains cleaned out—there is much writing of a more ambitious order. Dr. Hewlett not only magnifies his office as usual, but enters into a retrospect of sanitary affairs during the eight years in which he has enjoyed the distinguished position of guardian over the public health of Bombay. There are many important truths set forth in this essay, and many points worthy of special attention; but the whole report is one that invites and will receive criticism. The general public and the Justices, who have such a lively recollection of the Health Officer's free use of the cudgel, when he wrenched from the Municipal exchequer a considerable sum in excess of what had been voted by the Bench, will not be likely to entertain such a high opinion of his classical sanitary disquisition as that expressed by Mr. Pedder.

We ought, perhaps, to have speeded the going and welcomed the coming guest—that is, the old and the new Corporation. In the former duty we have been anticipated by a contemporary in an article, most, though not quite all, of which coincides with our own view. As to the new Corporation, we cannot welcome it; first, because we do not know what it will be like; and, second, because the Act under which it will have its being seems carefully contrived to secure several of the most essential and ineradicable faults of the old system. But one thing is clear about the new *régime* beforehand—the Executive Government, through its Commissioner, its Chairman, and its nominated members, will be wholly responsible, for of effective popular control and of civic government there can be none.—*June* 23, 1873.

THE NEW MUNICIPALITY: FIRST ELECTORAL EXPERIMENT IN INDIA.

II.—With regard to our coming Corporation, there has at times since the debates of last autumn been so much talk about elections, voters, wards, candidates, and members, that most persons supposed all these details must have been settled, cut and dried in the Act. This is not the case. . . . It is under Section 306 of the Act (the last but two) that the Governor in Council is invested with the really large powers which are comprised in the drawing up of regulations prescribing the mode in which Corporations shall be elected and got together. It does not appear from the wording of the section that the responsibility and scope of this act of executive authority had been fully understood and foreseen. . . . Thus, it may be said that under this clumsy statute the Executive has been compelled to do the work of the Legislative Council on the one hand, and, on the other, to supersede one of the most obvious functions of the Corporation—that of preparing its own bye-laws.

However, we must now take these anomalies as we find them, and judge only of the results of what is decreed by the Executive and the Commissioner between them. In this way we came to examine how they have succeeded in distributing the electoral power which the law has conferred on a certain number of citizens—3,827, as the figure now turns out. . . . . .

Thus while, as we have seen, the Hindus are nearly 70 per cent. of the total population, their proportion as voters runs with the rest in this fashion: Hindus, 24; Parsees, 17; Mussulmans, 15; and all other electors, about 3½. The method of voting *en masse* being inadmissible, and the *corpus* electoral being small enough to be manageable, there was strong temptation to experiment on it, by what is known as the "Hare system," or some similar ingenious method of facilitating individual choice, and checking the power of majorities. But it was seen that these philosophic contrivances would at once puzzle the masses and throw more power into the hands of their astute and, perchance, designing leaders. Hence, rejecting both extremes in the allocation of the wards, if any principle has been

followed, it is the good old Indian one of rule-of-thumb, which, in this class of subjects, means common sense and adaptation to circumstances.*

The first instance of adaptation would be observed in regard to those remote and forlorn rural parishes of Mahim, Worlee, Parell, Sewree, and Seon. Pitiful have been the petitions and doleful the complaints from those districts to which the Bench has had to listen in former years; and, as will be seen from our table, the population is numerous enough to claim attention to the consideration of the Town Council. In those five parishes there are nearly 54,200 souls, including Sir Philip Wodehouse and staff; for, in this instance, extremes meet, and the rich and poor dwell together within the wide limits of Wards 9 and 10. In this latter ward, by an odd coincidence, the total number of electors is exactly ten, and, in awarding to these ten men one whole member, the Governor in Council has given the Mahimites an immensely greater proportion of voting power than is granted in any other ward. . . . . .

In Ward 4, the Mussulmans, if they stir themselves, will probably secure two of the three members, and the Hindus one. In Ward 7, the Norwood or Hampstead and Highgate of Bombay, where, out of a total population of 12,000, there are actually 81 European electors, out of a total of 178, and having three members, it seems likely that the ruling race will secure two seats, and the Parsees will probably carry the other one.

These speculations are sufficient at present. Perhaps the results of the ratepayers' poll will be so modified or hidden under the after processes of election by Justices and nominations by Government, that it is scarcely worth looking at the popular side of the scheme at all; but we should like to start fair under this curious Act, and it is as well to rest in good-humoured anticipations as long as we can.—*June* 28, 1873.

THE WATER-SUPPLY OF BOMBAY: THE DISTRIBUTION SERVICE.

THE advance of the hot weather causes attention to be drawn to the minor matters connected with our water-supply. More water is used for all purposes; and the question, how soon can baths, cooking vessels, and filters be filled, assumes very practical importance. As to the water carts, they must be filled even if householders' taps cease to run, and the usual cry for more street watering is being raised on one side, while, on the other hand, the demand is again made that old Neptune shall be called in to allay the dust. A few weeks back, an old correspondent, "Aquarius," again drew attention to the special impediments which exist to the facile utilisation of our present supply of water. It is the subsidiary mains, or—as we have, perhaps rather loosely, described them—the distribution pipes, that are too straight. The main, which is of 32 inches diameter as far as Byculla, is adequate to convey probably one-third more than our present supply. But as regards the greater part of the city lying beyond the end of the main, the capacity of the pipes joined on to it, and still more the next class which serve the several cross streets, are of such greatly diminished bore as seriously to check the flow of water, and thereby we lose much of the pressure which there is in the main just before entering the too narrow orifices. The rescue by Major Tulloch of the chart showing the reticulation of our water-service system serves to render this subject far more readily understood than heretofore. The single chart extant was, we believe, in a very dilapidated condition when taken in hand by Major Tulloch to secure its preservation by the lithographer's art; but now it may be examined by any one as Plates xiii. and xiv. of his Report.

It will be seen that the 32-inch main terminates at the corner near the Sir Jamsetjee Hospital; but, fortunately for the dwellers on Malabar Hill, a 32-inch branch has been laid —we believe quite in recent years—from the point just mentioned to Chowpatti; yet as this ascends the Hill it dwindles to 12, then to 8, and it is only 4 inches at the Point, where, on festive occasions, much inconvenience has been experienced, because of the dribbling rate of delivery. On the Mahaluxmi and all the outer side of the Hill, the supply is much curtailed by the main being only a six and five inch pipe, joined to the large main

* This anticipation proved incorrect. The device hit upon was that now described as the "one man one vote" system. Although from two to six members were given to several wards, no electors could vote for more than one candidate; thus at once restricting individual choice and virtually disfranchising the majority of the voters. This anti-popular scheme, working within a restricted constituency, resulted in the return of the wealthier candidates and of those most amenable to official influences. Thus the Bombay Corporation may be cited as a warning demonstration of the results of "proportional representation."

beyond the Racecourse by only an 8-inch main. Up to Pydhonhee, in the centre of our native town, where the second length of large main ends, the size is 28 inch, but there it diminishes at once to 19 in a branch as far as Memon Street, where it shrinks to 10, then to 8 inches at the head of Marine lines, having thrown off spindly connections of only 4 and 3 inches in Sonapore and other crowded neighbourhoods. Let us now return to the straight line leading to the markets and the Fort. The main commences at 18 inches from Pydhonhee corner, and shrinks to 16 on the Esplanade up to the Crawford Markets; after which, in the midst of the Fort, it falls to 12 and 10 inches in the Elphinstone Circle, then to 5 in Apollo Street, but 8 in Marine Street, and so on to Colaba, where it shrinks to 6, 5, and 4—to the grievous detriment of the military inhabitants of Middle and Upper Colaba. . . . . .

Hitherto we have hesitated to urge to action on this subject because the remedy required has seemed so costly and difficult of application; but on looking at this chart we see plainly what in the first instance should be aimed at, and that with as little delay as possible. As soon as practicable, the 28-inch main, now ending at Pydhonhee, should be extended to the Esplanade and into the Fort. Then a 20-inch and 16-inch pipe should be carried forward to Colaba Point. As to the first of these measures, the Fire Insurance Companies should demand it; and the Military authorities should insist on the other. The citizens may pray to the future Town Council for better street service as soon as they like. —*April 9, 1873.*

THE NEW COTTON MILL INDUSTRY.—DEFECTIVE MANAGEMENT.

IT has been very gratifying to witness the progress of a new industry in Bombay—cotton spinning by steam machinery. At least a couple of millions sterling are represented by the mills and machinery we see around, and the profits made, whether on sound principles or not is another question, have been large enough to satisfy even native Indian investors. But it is not pretended that the profits distributed, ranging from five to ten per cent., represent nearly all the profits made. There are commissions on sales, commissions on purchases, and commissions paid to agents. Some portion of these may pertain to the necessary expenses of working the business; but it is quite certain that if, as would be the case under a cotton lord of Lancashire, all these were brought into one treasury, the total nett return on the capital invested and employed would make such a handsome figure as would cause the eyes of the cotton lord aforesaid to twinkle with envy. But, somehow, in the East profits become more diffused, and it is difficult to trace in what directions the earnings of our cotton mills permeate. This might be the case under any organisation; but as affairs stand now with the cotton mills of Bombay, we outsiders can only guess in the vaguest manner what money is made and what becomes of it. And the relations in which the various directors, agents, managers, secretaries, and shareholders stand to each other become more puzzling than ever. We alluded just now to the English organisation of cotton manufacturing industry, where the individual capitalist, or a family firm, owns the whole fabric and stock, everything but the "hands" themselves, and, taking all risks, draws all profits made. These, never very large of late years, are kept down to a minimum by the operation of free and keen competition with other capitalists. It is only in very recent times that co-operative and joint-stock cotton mills have been started; and we do not gather that they have exercised any appreciable effect in modifying the amount or distribution of profits made in the cotton industry of Lancashire. . . . . .

It does not follow, however, that the cotton mills should not answer, or that they will cease to be profitable, now that the preponderating votes in the companies' meetings have drifted into the hands of a few big men. The men of money want not only to secure, but to increase their store; and as in striving to swell these incidental profits—those below the board, so to speak—they could scarcely fail to enhance those above board—that is, the dividends. But during the last year or two the high prices of cotton, and—though none concerned in the mills will admit this—the deterioration of the engines and machinery have made the total profits run low; and, of course, those above board—that is, the dividends—have suffered first and worst. Hence we may trace part of the troubles dire which have found expression at recent turbulent meetings of cotton mill shareholders. We say part, because it is tolerably evident that, however much the smaller shareholders may regret the want of a dividend, they or the capitalists in whose behalf they protest and vote feel much

more keenly the fact of having no share in those incidental profits, such as the commission and agencies which are absorbed by the large shareholder capitalists.

Out of the temper of disappointment and envy induced by these things, it seems to us that there is some danger of our cotton mill management, defective as it is, sinking into a still lower depth of confusion and over-reaching. . . . Now, if the cotton mill industry were going on in a normal condition, and the joint-stock companies were working healthily in Bombay, these propositions might seem reasonable and worthy of support. But when, as we have explained above, everything about it is in an abnormal state, and the supremacy of a few large shareholders has got to be the ordinary condition with these companies, it is in the last degree unlikely that these requisitionists can have any better system wherewith to replace the unsatisfactory but passable compromise that now subsists. It is very annoying for small shareholders to get no dividend, but it seems to us that things have got to this pass, that there is nothing for them to do but sell out and allow the large shareholders to become sole owners of the mills. We may remark, in passing, that this Bombay United appears to have been either fortunate or tolerably well managed. Its dividends have averaged about seven and half per cent.; it has a large insurance and reserve fund; and, what is very exceptional in the accounts of these cotton mill companies, it has written off a large sum for deterioration. For lack of this precaution some of the other mills must come to grief by-and-bye.—*June* 5, 1873.

II.—Spinning Mills are the order of the day in Bombay; and, amidst the general dulness which prevails, it is satisfactory to hear of any pursuit wherein capital can be tolerably sure of its recompense, and skill of its reward. All the stories we hear about 15 per cent. profits, besides large commissions to managers and extra beneficiares, are not to be accepted without considerable discount. There is, in most cases, much to be allowed for deterioration; something, perhaps, for bad debts not yet written off; and not a little for the increased price of fuel—a heavy drawback which has scarcely yet begun to show its effect on the figures of the balance-sheets. Yet, leaving a good margin for these deductions from the profits assumed as likely to be earned by the Spinning and Weaving Mills of Bombay, there is a sufficiently firm basis for the prosperity of this local industry. That there is still scope for the expansion of this trade may be fairly inferred from the figures given by the Colaba Company's Chairman in his address, which we published in full yesterday. Unlike many statistics we have had flourished before us in recent times, these come up to date—a point which is of essential importance, seeing that during the last three or four years, commerce, prices, and profits in British India have undergone much change and unsettlement. . . . . .

We do not think that the demand for Indian spun yarn and machine-woven country calicoes will be easily overtaken. It is true that when the coming low prices of American cotton begin to tell on the Manchester market, and if the Bank rate of discount keeps down, we shall probably have very large shipments of Lancashire yarns and "grey" goods to India. These supplies will none the less affect the profits of our local manufactories, because, as is most likely, they will entail losses on the speculative shippers. More important than these fluctuations of commerce is the question of the probable price of fuel—a matter which must be carefully pondered by shareholders and managers. To meet this the utmost pains will have to be taken in the selection and management of engines and machinery. Our impression is, that in this direction alone, in half the present mills, sums equal to a very respectable profit are frittered away for lack of competent skill and due vigilance. These shortcomings could not exist under a healthy and business-like system of management; and this, we must assume, all who intend to invest their capital in new or enlarged mills are determined to have. Men who have their investments locked up may be content to drift along with concerns conducted on faulty principles; but however good the spinning trade is, none who are free to choose will consent to see the returns from their capital frittered away amongst managers, agents, and employés of sorts. So it may be taken for granted, that if the promoters of new spinning mills expect to draw capital from the general public, they must have already made up their minds to start and work the new mills entirely on reformed principles. . . . . .

The other manufacturing project having its site on the Colaba estate, recalls the by-

gone glories of Bombay hopes and speculations. The promoters, to whom we now allude, propose to utilise the Bonded Warehouse buildings for a spinning mill; and negotiations are, we hear, in progress between two or three native capitalists to take over those excellent buildings and form a company for this purpose. As, however, their arrangements, we believe, involve some muddling stipulations about life managerships, it will be in vain for them to appeal to the public for any capital. They must in that case do it all with their own funds—a comfortable plan, for which they are probably prepared. Should these incipient plans fall through, there is, it seems to us, an excellent opportunity for some European or other business-like promoters to take up the project and show what can be done by clear, straightforward, and effective management. This possible mill in the Bonded Warehouse building would, of course, be independent of, and in addition to, the Colaba Company's own manufactory. There is room for both, and the rivalry of two such undertakings would be of service to the port, and, probably, to the shareholders also.—*July* 15, 1873.

ROUNDED WITH A SLEEP.

AN announcement amongst our "Domestic Occurrences" this morning will be noticed with much regret by most of our local readers, and must stir many grave and saddening memories, tinged with deeply interesting retrospects of Anglo-Indian life in this island city. We allude, of course, to the decease of Mrs. Hough, of Colaba, a lady, nearly ninety years of age, who, up to the last, formed in herself a lively and intelligent link between this, the second half of our century, and the manners, society, and events which crowded around the close of the eighteenth, with all its rich and portentous freight of European and Indian affairs. For sixty years or more Mrs. Hough has known and been more or less familiar with most of the leading persons in official and general Bombay society. The story of her life from year to year, though not specially eventful, would be, if properly told, replete with personal reminiscences, and, within a certain compass, historical or political interest. At first it bewilders one to consider what is comprised in having had intercourse with one born before the great French Revolution, and familiar, in her own personal recollections, with all the stirring events arising from that upheaving of society and great political catastrophe; and Mrs. Hough had, from her girlish days, been a portion of the times in which she lived. She has taken the keenest interest in the events around her, and, in the most distinct and picturesque manner, has been accustomed to assign to the actors therein their proper parts.

We are here alluding more to the local history of Western India in the early years of this century, some of her lively recollections of which were described in our columns only a few months since. Up to the last her faculties were bright, and her facility of expression such as would do credit to young ladies—or young men either—of one and twenty. But the long and busy life is over at last; the familiar and, of late, venerable figure has passed away from amongst us; and her hitherto unfailing vivacity is henceforth stilled. Mrs. Hough is inseparably associated with Bombay past and present, and the busy city pauses a moment to honour her memory.—*June* 25, 1873.

THE TOWERS OF SILENCE TRIAL:

CHISHOLM ANSTEY'S LAST CAUSE CÉLÈBRE.

THE verdict which concluded the business of the Criminal Session yesterday was, we believe, contrary to the general expectation. It will probably be cited as an instance of the mistake that is made when a thing is overdone. Had the two parties been allowed to fight it out in the Magistrate's Court, even with all the aid which the prosecution is supposed to have derived from our energetic police, the results would probably have been the conviction and a suitable summary penalty inflicted on that half-dozen or half-score indicated by the Judge in his remarks when discharging them, as "some of the accused." Without going deeply into the law of trespass, and the right of lawful tenants or landlords to use force in turning intruders off their property, there is no doubt that our Magistrates of Police will always be inclined to visit prompt and sufficiently "exemplary" penalties on those who assert and "enforce their rights" in a

way not likely "to preserve the general peace of the community." Had the case been allowed to take its course in the ordinary way, the Magistrate, finding the Penal Code ready to hand, would have had no difficulty in applying the law as to the alleged unlawful multitude which was so lucidly explained by the learned Judge yesterday. Here we may remark, in passing, how times are changed when we hear a barrister judge almost go out of his way to utter a well considered and emphatic testimony to the high value and immense serviceableness of that small volume comprising a full statement of the criminal law of the country. . . . . .

Only one incident need we refer to which could be supposed to have any influence with the Magistrate in inducing him to send the fifty men up to the Sessions. That was an overwhelming circumstance—namely, that the Executive Government had intervened between the parties; and, not content with the conspicuous and overdone zeal of the police, had directed the Public Prosecutor to take up the case, with the desire, as the Magistrate, in common with all the public, might reasonably suppose, of securing "exemplary punishment" to these ferocious Parsees. This was the single "extraneous circumstance" which alone rendered the case one of public importance.

We think the Judge might very properly have referred to the extraordinary position taken up by the Executive in regard to this originally trumpery disturbance. As the high official supposed to have incited to this false step is not here present, it need only be referred to in so far as the meddling in the affair is indicative of an unhealthy humour in the body politic—a keenly sensitive connection with the community through a few narrow threads, yet this consisting with semi-paralysis as regards all other connecting links with the general public. . . . The only justification we could conceive for the extraordinary course of opening the public treasury to support the prosecution of these misguided Zoroastrian Rebeccaites would be that the breaking down of labourers' chawls and the upsetting of contractors' tents had become a prevalent practice in this island. But his Lordship has assured us that such is not the case. Here is his testimony on the subject: "It is not as if there was a prevalence of these offences in this community. As far as my recollection goes, it is the only case of the kind that has taken place within the last thirteen years in Bombay, and it does not call for a very serious punishment. It does not bear that dreadful and serious aspect which has been put upon it by different gentlemen who have addressed you." After this statement from such high and impartial authority, no one will venture to deny that the "entertainment" of the Public Prosecutor in this case was a thing overdone. Few will now dispute that the order said to have been given by the Police Commissioner to arrest every man on the ground was also a thing overdone; the "cavalier's" fine feat of horsemanship in riding up the steps must be admired by us all as equestrianism, but still it, again, must be reckoned as also a thing overdone; the arrest of seventy men, and marching a large proportion of them handcuffed through the streets, was also a thing overdone. . . . . .

There is one other notable proceeding connected with the conduct of the trial which also strikes us as a thing overdone. We refer to the unusual, not to say extraordinary, course taken by his Lordship in essaying personal retaliation on the leading counsel for the defence. It is quite true that the Judge was well within his right, as he took care to show. He will be vastly applauded in society and at the dinner tables of our local Belgravia; but the premeditated sally will raise questions as to taste and measure. It is of the last importance that the Bench should do what may be needful to shield its reputation for impartiality, and freedom from preconceived conclusions; but one indispensable condition of such vindication is that the dignity of the office and the calmness which should ever reign on the judgment seat are in no way ruffled. It is open to question whether this condition is likely to be maintained when the Bench ventures on a course which reminds one of the tit-for-tat of common life, or the Roland for an Oliver of parliamentary combat. Here we may leave this episode, which will vastly amuse the town and attract attention in the remotest cities of Ind.

Yet we cannot forget the scenes of turmoil and struggle which the learned Judge's quotation has called up out of the rapidly receding past. The incident is one more striking illustration of the adage—"how the whirligig of Time brings its revenges." At the period referred to we have no means of knowing whether the (now) Hon. Justice Green contributed his quota of the unstinted applause which was lavished on Mr. Justice Anstey, then the idol of the day in the very circles where his Lordship's quotation will be

now eagerly welcomed. But we have a lively recollection of the opprobrium which we had then to endure because of our steady and determined opposition to the appointment of Mr. Anstey as a Judge. In describing the treatment and abuse which we had then to brave because of our sustained protest against the undiscriminating passion of the hour, we might almost adopt a similar strain to that in which Mr. Anstey on Tuesday made his personal appeal to the jury. We were credited, very unworthily of course, with the lion's share in the movement of which the memorial quoted from by Mr. Justice Green was the outcome. . . . . .

Whether Mr. Anstey has ever forgiven us we do not know, and are not careful to inquire; but, strange to say, from the same necessity of public duty which prompted us then, we now find ourselves bound to put in a protest against a needless excess in judicial rebuke. And in showing objection to the intervention of the Executive in the now famous Towers of Silence Riot case, we do not think we shall be regarded as dead to those constitutional principles which are and ever have been dear to Englishmen.—*July* 17, 1873.

CLOSE OF A STORMY LIFE.

THOMAS CHISHOLM ANSTEY appeared, until very lately, so full of vitality and nervous energy that when the news of his decease spread rapidly through our city yesterday morning, the announcement came with something of a shock. Since his last return from England he has kept very much to himself and his feline companions,* so that, except when in the Courts, he has been seen by very few. Yet it has been obvious to some—more especially since his urgently needed trip to Galle last cold weather—for months past, that, unless he should betake himself to complete rest in a temperate clime, the days of Mr. Anstey were numbered. Instead of seeking repose, he appears to have plunged more unsparingly than ever into the labours of his profession; and his exertions in a recent celebrated Sessions case—which, as remarked by him in Court a fortnight before, he looked forward to with terror—must have done a good deal to expend those ebbing vital resources which he resolutely refused to husband whilst there was yet time. We have been accustomed for some time past to regard him as a sexagenarian, but reference proves that he was still about three years short of the threescore. We may, therefore, consider him as cut off some years before the period to which, under easier circumstances, his originally strong constitution and wiry frame would have carried him.

It is because of the long period that Mr. Anstey has been before the public, and the frequency with which his name has been brought into notice, that we have come to regard him as an old man. He was only 31 when he entered Parliament as member for Youghal, and then he had already attained considerable celebrity as a politician and author of works on law and political jurisprudence. His father was a colonist of Tasmania, but Mr. Anstey was a Londoner born (1816), and he must have been one of the earliest graduates of University College, then almost the only public institution in England where Roman Catholic students could obtain a liberal academic education. When he entered public life the great battle of Catholic Emancipation had been fought and won; but he entered with characteristic energy into the struggle for the removal of the remaining disabilities which fettered or irritated his co-religionists. . . . . .

If we were to trace in detail only the chief incidents of Mr. Anstey's career in Bombay, the review would fail to satisfy those who are intimately acquainted with our local history; whilst readers at a distance would not understand how events of little intrinsic importance came to be invested with such high local significance. The explanation of the apparent discrepancy must be sought in the intense individuality of Mr. Anstey, and the high personal popularity which, for some years, he enjoyed in Bombay. Politics, too, had something to do with this. He at once conceived and constantly cherished antipathy to the Civilian institutions of India, which, bearing the aspect of privilege, were naturally obnoxious to him; and it was too late for him to learn that a restricted Service and paternal or extra-constitutional Government regulations were designed to secure the protection and welfare of the masses of the Indian peoples.

* During the last year or two of his life, Mr. Anstey cultivated the society of—cats. It is said that so many as seventeen of these curious and interesting creatures used to sit at table in his bungalow on Kambala Hill, where he died.

With these races Mr. Anstey's sympathies were very slight; and though reared under and accustomed to battle against disabilities which had affected his own people and church, he cared little about the disabilities and drawbacks affecting the subject races here. For a considerable period he might be regarded as the centre and idol of the *soi-disant* English party in this city. We only recall this because it has an intimate connection with his elevation to the Bench in 1865, when, from promptings which it would not be well to analyse too closely, it was deemed necessary, as the phrase ran, to "teach a lesson" to those classes who, having profited much by the cotton and share mania of 1863-65, had also been most signally cast down by the panic that followed. From the very first we considered this appointment one of the weakest and most ill-considered acts of Sir Bartle Frere's Government, and, therefore, denounced it freely at the time. We need say no more here of the episode than that while it was the crowning period in Mr. Anstey's career, it also brought out those qualities in him that were least admirable.

On his return to the Bar suitors flocked around him again, and he re-entered on an exceedingly lucrative course of practice arising out of the confusion and litigation which encumbered our local affairs in 1867-8. In the latter year he returned to the West, and during his months of recreation was lost sight of by the public, until the Bridgwater election inquiry again brought him into notice under circumstances which caused much humorous comment, the laugh being mainly on Mr. Anstey's side. He returned to Bombay early in 1870. Since that time he has taken no voluntary part in public affairs here, and has seemed inclined to shun company of all kinds. Probably his health was never re-established, or it had broken down again under the exertions which he underwent in connection with the famous "Wahabee" trials at Calcutta in July, 1870. On that occasion Mr. Anstey was thoroughly in his element. The subject itself and the unfortunate Ameer Khan have, in virtue of the law of reaction, faded out of the public mind; but we believe that any biographer desirous of doing full justice to Mr. Anstey's forensic abilities and his repute as a constitutional lawyer, would find the best material for the purpose in the records of that notable State trial. On that occasion the advocate had to face a settled foregone conclusion in which some among the highest Executive authorities were known to participate; this prejudgment was also shared by a considerable portion of European society; and the supposed proof against Mr. Anstey's client had been accumulated by zealous police officers, specially detailed for the purpose, and having spies and secret service money at their command to any extent. . . . . .

It is not needful here to dwell upon the later incidents in Mr. Anstey's career—his growing antagonism to and estrangement from the Bench, or his great and successful effort against the Government prosecution in the recent "Riot" case. It is time to forget, as far as possible, his weaknesses and faults, and to remember his thorough independence of character, his energy and untiring industry, and to appreciate his vast store of legal and historical knowledge. Those who were fortunate to enjoy his acquaintance and inexhaustible conversation in his better days, now recall these things. They are all ready to own that Thomas Chisholm Anstey was a Templar whom the Bar have reason to remember with pride, and that he was one whom, with all his failings, none bred "within the four seas" need be ashamed to own as a fellow countryman.—*August* 14, 1873.

MERCHANTS' INDIFFERENCE TO PUBLIC INTERESTS.

BEFORE the very comprehensive speech delivered by the Chairman of our Chamber of Commerce last week fades out of memory, we ought to venture one or two remarks upon it. If excuse were needed for delaying in this duty, we might plead that the honourable gentleman speaks so fully and so well, that there is scarcely room for any one to follow him. Reflection, however, leads us to think that Mr. Bythell has not passed his degree as an historian, while, seeing that he takes such a complacent view of our present commercial position, and gilds the future with glowing hopes, he seems scarcely safe as a prophet of the day. . . . So long as the general railway guarantee has to be paid out of the revenues of all India, it was manifestly unjust that Calcutta should be placed within cheaper access of Jubbulpore, and even Nagpore, than was Bombay, though our port is nearer to those places, say, on the average, by 250 miles. The elaborate correspondence required to remove that abuse, and which was referred to by the

Chairman in his speech—appearing in our paper of the 19th March—tells much to the advantage, as might be supposed, of the men of figures and small profits.

On reading this close argument, a strong desire arises—would that but half-a-dozen British merchants in each of the Presidency towns could be induced to give exact and continuous attention to those revenue and finance questions which affect the millions of India, instead of never going into them, except when constrained to do so by their immediate trade interests! Perhaps this is a vain wish; and this is shown by the way in which the railway question is treated in another section of the same big speech. We can understand merchants, merely as such, shutting their eyes to questions of ways and means, in order to get their special end secured; but this course is, in effect, to leave the masses of the population and the future credit of British India to take care of itself. We have strongly urged, and shall again urge, that the B.B. and C.I. line be pushed upward from its base, instead, as the Chairman aptly remarked, of our seeing "such a ridiculous absurdity as the line being made from Calcutta round through Agra, Ajmere, and Pahlunpore to Ahmedabad." But when the speaker says, "We [the Chamber] have expressed no opinion as to whether the broad or narrow gauge" would be the best—next, states his own opinion in favour of the former, and then goes on to accept the estimate of £6,000 per mile from Ahmedabad to Ajmere, based on the cost of the peculiarly easy extensions to Wudwan and Patree,—a looker-on must conclude that the Bombay merchants, except so far as cotton and piece-goods are concerned, do not much trouble their heads to study the very pressing and difficult problem of internal communications in India.

With regard to the Chairman's unqualified defence and vindication of the Port Trust, its debts and all, we would not venture within the narrow space at our disposal to measure words with so fully furnished and so remarkably confident a champion. But we would suggest that it only requires two or three more speeches like that by the Hon'ble Mr. Bythell, in order to convince us all that the Port Trust incubus is actually the cause of such prosperity as is left to Bombay! We would point out, however, that the argument seems seriously open to question, when it is contended that the commerce of the port can afford to pay now by compulsion as much or more than it paid voluntarily three or four years ago. . . . . .

One word with regard to this reproach of supineness in respect of which—now that all the struggle is over, and without the Chamber exercising the slightest influence on the result—the Chairman seemed disposed to indulge in the satiric vein. He was certainly oblivious. We are now far advanced in the year of grace 1873. Act v. of 1870, under which fees were levied on bunders and wharves, "where none had been levied before, caused dissatisfaction in the mercantile community, and [we quote the Chamber's own words] the Committee were pressed to make representations on the subject to Government." They did not do so—did not stir a peg until July, 1871, as confessed in the Report, dated September 27th. . . . On April 1st, 1870, supplies were stopped by the Government of India, and all work on the Elphinstone estate was stopped. Within two or three days of that time, we stated, with tolerable accuracy, the amount of the debt which it was then proposed to thrust on the port of Bombay. From time to time during the months that followed we returned to the subject, urging the Chamber, as representing the mercantile community, to stand forward in the interest of the city. But, as we have seen, the Chamber, or rather its committee, refused to budge; so the whole task of the reduction was carried through, as the Chairman naïvely confesses, without the Chamber having had anything to say in the matter. Government had, indeed, received sundry spurs and warnings, such as, unaided, we or our correspondents could give; but all that time (about eighteen months) neither the Chamber nor its present optimist Chairman lifted a finger in the interests of the port and its future commerce. Those who cultivate the faculty of memory in regard to local history will bear us out in the opinion that the Chamber, at that period, failed in its duty. Let us hope it is now reinvigorated. —*July* 26, 1873.

HESITATING ABOUT DOCKS.

THERE can be no two opinions in regard to the proposition, that, now Bombay has got a Port Trust, the Trustees ought to move on, . . . for a large portion of the community, including a majority of the Chamber of Commerce, are in favour of

bringing ships into docks; and we do not know that on the Port Trust Board there is a single representative for piers and jetties. We may confess, for our own part, that we are of the minority who think there are several strong arguments in favour of piers; but that does not much matter, if only ships can be brought alongside, and that without more loss of time.

What, then, is being done towards giving the port some docks? We need not recapitulate the history of the matter previous to Colonel Fraser's general, but qualified, acceptance of Mr. Ormiston's plans for two huge tidal basins on the Elphinstone estate. Those projects have been tolerably well discussed, though not by any means, as we think, with the result asserted by a contemporary—namely, "universal public approval." Let that pass at present; but it is generally known that the Engineer to the Port Trust has provided an alternative dock scheme of somewhat smaller estimated cost; and the mercantile public are naturally anxious to know all about this, in the hope that it may afford a better prospect of the great end being obtained—one lift only for all goods in and out of Bombay harbour. . . . . .

But, apart from the pier question, it is tolerably understood that Mr. Ormiston is so far willing and capable to undertake small manageable works, that he is ready to transform the present Musjid basin into a small nine-acre dock, with but slight indulgence in the riskful vanity of channels lower than the sea-bottom; and this work could, no doubt, be carried out within a twelvemonth.

The details of this small interim proposal are studiously hidden away from the public, and it is not our object to advocate it, but only once more to demand that something should be put in hand, and that speedily. The merchants and shipping agents of Bombay have a right to remind the Bombay Government and its obstructive department—also the Trustees, if necessary—that had it not been for the Port Trust and its highly sensitive financial constitution, the Canal steamers would, by the end of this year, have had a good pier to supply their urgent need for cheaper lifting of cargo and quick despatch—this, too, provided by private enterprise, and with no tax, except for direct service rendered. Here is one fact which shows that time presses for something to be done, and at as small a cost as possible. In April and May of this year the tonnage in and out of Bombay was only 197,755, against 236,240 tons for the same months of 1871. It is plain that, in proportion as our sea-borne commerce shows a tendency to decline, we are all the more bound to facilitate its operations, and, if possible, render the port cheaper and more attractive. What will the Port Trust do? It has a Chairman of considerable talent and excellent judgment, and also several able members on the Board; but genius itself cannot enable men to rise above a false position.—*Aug.* 13, 1873.

II.—How few, or how many, of the members of our Chamber of Commerce are now thinking about that resolution passed by them in June of last year, humbly requesting Government to at once proceed with construction of docks on the Elphinstone estate? With scarcely a single dissentient, the Chamber resolved that, so far as it was concerned, the reign of talk should be over, and that of action should begin. An engineer, in whom the members had unlimited confidence, displayed a plan by which docks could be made for a certain sum and within a certain time. This the merchants accepted, not caring to spend time in waiting for further professional opinions; and, knowing that Government had promised to find the funds for the work, they requested, not to say demanded, that it should be put in hand forthwith. But June has come again and gone; and Bombay is not only without docks, but, apparently, as far from obtaining them as at any time this last ten years. We seem to have entered on a new phase of public opinion or feeling about our harbour side affairs. Is there any one of our merchants who still so far cherishes his convictions of June, 1872, that he dare venture to move the Committee, or call a general meeting of the Chamber to re-consider, re-affirm, and act upon those brave resolutions? We trow not. But why not? If the desire of our merchants for what is aptly described as "the one lift from ship to shore" was earnest and sincere; if they were so fully and clearly convinced, as their resolutions would imply, that Mr. Ormiston's magnificent tidal basins afforded the best or the only right method of superseding the lighterage system, why have they not met and resolved anew? . . . .

There is, indeed, sufficient in this to make us feel very gloomy; but every one knows

that as soon as the shipping season opens there must be a lot of business done for better or worse. . . . . .

Since the general circulation, early last month, of the correspondence relating to this question of "feasibility," not so much of the basins, but of the deep channel that would be required for ships to get in and out, it is not needful for us to state the progress of the official discussions or the arguments advanced on either side. Besides, our elder daily contemporary, filled with much zeal to uphold the "feasibility" view of the matter, has given in its leading columns copious extracts from the correspondence just referred to, this being done with the object of showing that the Port Trust Engineer *is* "the man for Galway," and that Colonel Kennedy and all who oppose the said engineer are either mere perverse obstructives, or not up to the mark as harbour engineers. We may very briefly state how the controversy stands—for it is standing, and it is likely to do so for a year and a day. In Colonel Fraser's review of the scheme, dated fully two months before the Chamber's meeting, he had fairly discussed whether the channels, when dredged to twelve feet below sea level, could be kept open at a reasonable expense. This is really what is meant by "feasibility." Colonel Fraser's own opinion was strongly in support of Mr. Ormiston's, to the effect that the channels would present no serious difficulty; but he recommended further inquiry about the Bute dock entrances, stated to be on a similar principle, and advised that an experiment should at once be undertaken to test the tenacity of Bombay mud, and the proneness, or otherwise, of the silt to fill up the channel when made. Here we should mention, in passing, that the late Mr. J. R. Maclean, C.E., a noted dock engineer and an excellent professional authority, also gave his opinion in favour of Mr. Ormiston's plans, which he saw in Bombay when he also inspected our harbour. But as Colonel Fraser, who was favourable to the plans, had said that an experiment was desirable, those who know our harbour and its mud banks still better than does the eminent lighthouse engineer, insisted that it was necessary. Accordingly, the Secretary to Government in Public Works Department suggested that an experimental channel should be cut; and it being "necessary to keep the cost of the experiment as low as possible," the channel was to be kept as small as possible—that is, at a depth of six feet below the harbour bottom, and from two to three hundred feet broad at the top. Mr. Ormiston, as desired, went into the calculations, to show the probable cost of such an excavation (Rs. 87,500), but utterly repudiated its value as an experiment. . . . . .

Colonel Kennedy, when his professional career shall draw to a close, may not have many mighty works to point to as his memorials, unless it be the Middle Ground Battery; but he has been highly successful as an objector, and no one can deny that this is not a valuable function in the servant of a Government prone to public works ambition. In this case we cannot but think that the gallant Colonel is in the right; not that we attach much importance to his individual opinion as such, but because in the present instance he follows in the track of many experienced men who are familiar with Bombay harbour and understand the action of silt. That this obstacle is no bugbear may fairly be inferred from certain passages in the last report of the Calcutta Port Commissioners, who find that even in their fast-flowing river, with its sweeping ebb current, the slight resistance induced by their jetty piles has caused an accumulation of silt, for the removal of which they are compelled to send home for a dredger, the arrival of which is just about due. . . . .

Lest any who forget the past should venture to class us as obstructives along with the gallant and obstinate Secretary in Public Works Department, let us assure them that it is no part of our plan to "stick in the mud." Our advice is to keep above it by all means. If tidal docks cannot be got speedily and at reasonable expense, then let us have piers; and, if we are in the stage of experiment, let us at once experiment on a jetty or two at different points in the harbour, so as to suit different trades. But just a word as to finance. It is impossible for this Port to get on at all with the Land estate tied round its neck like a millstone—that incubus *must* be removed. The Government of India, and not the commerce of Bombay, must sustain the risk of land speculations.—*Sept.* 18, 1873.

SIR BARTLE'S COSTLY PALACE OF ART.

IN Sir Bartle Frere's preface to his daughter's pleasant little book, "Old Deccan Days," he mentions how that the Sepoy sentinels at Government House, Dapoorie, used to salute any cat or jackal (we forget which) that happened to pass during the night, believ-

ing that the ghost of a long deceased and highly esteemed Governor of Bombay had taken lodgment in the dumb creature. But Dapoorie was sold ("irregularly," says Lord Lawrence) for £35,000, and thereby hangs the tale of another ghost—an irrepressible spectre which rises ever and again during the proceedings of the Finance Committee. This uncanny apparition—of course we mean the cost of the new Gunnesh Khind Palace—crops up at most unexpected corners to vex the soul of Mr. Fawcett and other members who cherish tenderness of conscience as regards public expenditure. It is not in any hope of our being able to lay this ghost that we thus venture to accost it; for it must be owned that it can be no spectre or castle in the air, commencing with its growth from an old-fashioned country house sold to Bombay speculators for £35,000, but which, under the fatherly care of two Governors, expanded into a stately pile in the Italian style, and gorgeously bedight within, all at a cost of £170,000. How this came to pass puzzles the whole college of committee-men and witnesses.

Perhaps Lord Lawrence, in the passage we reported yesterday, comes nearest to the mark; but, for all that, his statement leaves a good deal to be explained. His Lordship's account, brief as it is, would be amusing were it not for the thought that the lakhs of the unfortunate taxpayers would have sufficed to construct dozens of country roads and reservoirs. Lord Lawrence says he "severely reprimanded" the Governor of Bombay; and, as the building was very merrily pushed on, demanded an estimate, so that the Government of India might know what to expect. But the estimate was delayed, and the executive engineers were spurred on; thus defiantly rose the pile, whilst Sir John Lawrence left India without the estimate having been furnished; and, pathetically adds his Lordship, "meanwhile he [personal this!] went on spending more money." He does not think the Supreme Government could have done more toward pulling up the Bombay Governor and his Council. Thus, when a strong-willed man like John Lawrence confesses himself beaten, we must own that the examination has brought out one constitutional principle in Indian administration—namely, that nothing can overcome passive resistance; against that *vis inertiæ* gods and men exhaust themselves in vain. . . . . .

Though it is of no use bewailing a bridge already gone down stream, and though none can restore the six or seven lakhs needlessly spent on the grand residence which serves the Governor of Bombay for six months in the year, it may be as well to mention two circumstances which had a large influence in producing the excess over estimates—for, though the Supreme Government called in vain for them, estimates were duly prepared, and as regularly expanded from time to time. Of these two circumstances to which we allude, one has to do with the design; and, though we cannot pretend to treat it from a professional point of view, it is a matter worthy of notice by architects and builders. Not to be too positive on the subject, let us put our statement interrogatively. Is it not the case that the material was unsuited to the design, or, rather, the design to the material; for nothing could be more durable than the hard blue trap? The design is, we believe, entirely in the Italian style, comprising, in much detail, friezes, fluting, and finely smoothed ornamentation of various kinds, most of it being so far removed from ordinary observation that the effect is lost, though the cost is unmistakable. The design, not specially expensive as originally worked in comparatively soft and easily chiselled stone, presents quite a different aspect financially when worked out in hard, steel-defying basalt. Practical men can understand how this circumstance, overlooked in design and estimate, enhanced the cost in a way that no reprimand, no revision, and no retrenchment could avail to check. Whether the blame for this special and reprehensible oversight should rest with the favourite architect whom Sir Bartle Frere imported, or on the Bombay engineers, who, though they well knew the hardness of the material, forgot the cost of chiselling and smoothing it, we do not undertake to say.

The other circumstance hitherto overlooked, alike by examiners and witnesses, when the Gunnesh Khind apparition presents itself, is one that a Finance Committee ought not to have forgotten, as Mr. Fawcett and his friends have done in many more weighty matters than this of the Poona Palace. We refer to the notorious and general rise of prices in Western India, which, as ill fortune would have it, synchronised almost to a year with the building of the Gunnesh Khind villa. It would require careful examination of dates and accounts to ascertain how many of the 17 lakhs are due to the advance in labour and material which obtained from 1862-3 to 1868-9, attaining its chief intensity in those very years in which the palace was being pushed on most vigorously. To this cause

a considerable share in the enhancement of cost is attributable; but this does not necessarily demand censure on any one. Could it have been foreseen that the tide of high prices would recede as it has done since 1870, the building of the palace might fitly have been delayed with advantage to every interest concerned. But the impression prevailing amongst Sir Bartle Frere and his men was, that the forward wave would ever rise; hence the work was pushed on with the idea of averting still greater outlay. Of course we do not forget the share which downright rascality and incompetent builders had in adding to the cost of the Gunnesh Khind Palace; but, somehow, no one cares to tell the Committee about that. Probably, if the records of a certain trial held here in 1870 could be forwarded to Mr. Fawcett, he might gather some suggestive hints from portions of the evidence. The Committee have an unlucky knack of missing the most serviceable witnesses. Here is the Public Works Secretary of the Bombay Government, just returned from England. While there, he could have given most pertinent and valuable evidence, not only in relation to the Poona Palace which grew in spite of Lord Lawrence's severe reprimand, but also about the Council Hall that had to be restored, the Shirwal bridge which collapsed as soon as built, and that costly toy, the Hog Island Lift, for which Mr. Thornton avers the Bombay Public Works Secretary is mainly responsible. But Colonel Kennedy has escaped the inquisitors.—*July* 30, 1873.

AUSTRALIAN TRADE WITH WESTERN INDIA.

A CORRESPONDENT sends certain queries bearing upon our recently published excerpts from the Report on Bombay Trade in 1868-9, as recorded and arranged under the supervision of the Commissioner of Customs. Though the doubts expressed as to the accuracy of the returns might have been met by reference to any experienced practical broker, we are glad to give such general explanations as lie in our way; and these may serve to throw some light on matters which, being only spoken of in technical or formal terms by merchants and bankers, are not readily intelligible to the rest of the public, and often puzzling to those who have to approach such subjects from the side of theory and abstract principles. But here is the letter:—

TO THE EDITOR OF THE "TIMES OF INDIA."

SIR,—According to the Custom-house return referred to in your article of this morning, Ceylon has sent us during the year £702,000 in gold and £465,000 in silver, while Australia *appears* to have sent us nothing. If there is a hitch in the returns on account of the transhipments at Galle, there is some ground for doubting that we received so much in *gold* from China as £1,046,900, and also for thinking that we received more than £1,625,000 in *silver* from the same quarter. Can you tell us how much of the total £7,000,000 of silver was coined during the year?

November 24. B. R.

It certainly does seem a little strange, on the face of things, that there should have been absolutely no importation into Bombay of gold from Australia during 1868-9—not even a few parcels sent under misapprehension or without due calculation—but on general principles the official statement that we did not directly receive any Australian gold last year is intelligible enough. The circumstances affecting the exports of gold from Melbourne to Bombay are thus briefly referred to in an interesting paragraph by the Commissioner of Customs in 1862-3 (Mr. Inverarity) in the "Introductory Report of the Yellow Book" for that year:—"Bombay receives large quantities of gold from Australia, . . . and as she possesses little which she can give to Australia in exchange, the balance is usually met by bills on Europe." How is this—Bombay receives large quantities of gold from Australia, but has nothing to give in exchange? Why then should the Australians send much in 1862-3, and decline to keep up the supply in 1868-9? The Commissioner says the balance—probably nine-tenths of the whole amount imported—is paid for "by bills on Europe;" so that in that mystery, the working of the exchanges, must be sought replies to these queries, and the wherewithal to settle the doubts which "B. R." raises as to the correctness of the Customs' return. We find the course and rate of exchange at the two periods go far to explain the apparent anomaly; but, in the first instance, the querist must get some of his banker friends to explain to him how and through what channels, by the intervention of the bills on Europe purchased in Bombay, Australians can obtain useful commodities in return for the gold, glittering but useless to them, but valuable when sent here. The rates of exchange in Bombay on London three

to six years ago, as contrasted with the rates prevailing last year, not only settle the incidental question raised in the letter quoted above, but serve to indicate the magnitude of the commercial changes and crisis through which Bombay has passed. . . . . .

The returns show that this metal has been coming into greater favour here for some years past; and it is not at all surprising that China should be at least as ready to part with the *gold* received from Australia in exchange for tea, as with the *silver* required for its own enormous currency. Part of the balance due from China to Bombay is sometimes paid by shipments of gold and silver to Calcutta for sale on our account. Australia imports rice from Bengal and Burmah for the use of its Chinese immigrant population; and if "B. R." looks into the Calcutta and Madras returns he will probably find that those ports do attract some of the auriferous deposits of the great southern continent, but have nothing to send that the Australians care about. We are as likely to take their horses and timber as their gold, except when our rates of exchange in Europe make it worth their while to send it here; but what are we to pay them in? At present we can only pay them in bills by which they can pay for the European manufactures they import; but we hope as India increases the variety of her export articles there may be some that the Australians will prize, and by means of which we can acquire directly those supplies of gold we shall need as soon as our Mint-masters and currency experts sink their differences, and let us have ten and five rupee gold pieces. As to the amounts of silver and gold coined at the Bombay Mint, the sums are regularly published in the *Government Gazette*. . . . . .—*Nov.* 30, 1869.

CHANGES IN THE COURSE OF TRADE.

THE philosophical and somewhat hopeful remarks made last Tuesday by the retiring Chairman of our Mercantile Parliament will serve, for a while, as a set-off against the many jeremiads we have had of late regarding the alleged falling off in Bombay trade. We say "for a while" because, as the Hon. Mr. Bythell is well known to incline to optimist views of commercial and other public matters, many who read the report of his remarks will wish they had been backed up with figures. In one direction this was done by the speaker, and that very pertinently, so far as the single citation given applies to the subject. He stated that our exports for the three monsoon months of this year, June, July, and August, "are just about as large this year as they were in 1869, when the harbour was crowded with an enormous fleet." We could wish Mr. Bythell had given the figures for that and the succeeding years; the comparison would then have been more definite. It may be remembered that one day last week we gave the tonnage figures for three months, and the comparison showed a considerable decline for the wet quarter of the present year. And we were under the impression that during this monsoon more vessels than usual have left Bombay "seeking" that freight which they could not obtain here. Yet the Hon. Mr. Bythell, being a man of figures, must be correct in the bare statement that Bombay exports from June to August, 1873, have been as large, if not larger than in the corresponding period of 1869. We understand quantities and not values to be spoken of. How then are we to reconcile the apparent discrepancy—less shipping, but as much or more commerce? The comparison, though only partial and relating to a brief period, strikes us as one of some special interest, as it may serve to qualify or explain some of the retiring Chairman's conclusions. One of these is that, because of the extension of railways, our trade is being "done more and more in seasons;" and he points out that if by dint of rapid railway transit, cotton markets, and other modern facilities, the staple export is hurried off before the monsoon, we could not, even with docks or piers to aid us, have many bales to ship during the rainy months. And yet, somehow, our total exports in that period this year were as large as in 1869. We think the "somehow" may be thus explained: First, the monsoon of 1869 scarcely belongs to this era; the Suez Canal had not been opened; the junction of the Great Indian Peninsular with the East India Railway was barely effected; the Kattiawar extension of the Bombay, Bengal, and Central India was not undertaken; and branch lines in the Berars, with their cotton marts, had only just been got into working order, by the exertions, in great measure, of Mr. Rivett-Carnac. Second, in now pointing to these several increased facilities, it is not quite an accurate account of the matter for the late Chairman to say that

their sole tendency is to make Bombay trade more one of the season only. There is some effect in the opposite direction which has to be considered. The general tendency of these improved communications with the interior, working together with the readier access to European markets, is undoubtedly to induce earlier transmissions to Bombay and more rapid shipment. On the other hand, every one knows that the Suez Canal and the extra push shown by the Peninsular and Oriental Company in recent years have enabled shipments to go forward during the monsoon to an extent never thought of in 1869; and there is, besides, the minor consideration that the extension of railways, especially the union now effected with the East India line, enables many commodities to arrive here during the monsoon, because drawn from very different localities than the black soil district, where rain puts an absolute stop to country traffic. . . . But there is one little indulgence now enjoyed by the Indian producer and manufacturer which Mr. Bythell would like to see removed, and in remarking on which the narrower Manchester spirit crops out. He considers it unfair that the Indian cotton manufacturer "should be protected at the expense of the Lancashire manufacturers, who have to pay" an import duty of five per cent. on piece-goods. Let the new Committee of the Chamber take up this matter, by all means; but they must not talk about the injured Lancashire manufacturer. It is only the Indian weavers of calico who suffer to the one-twentieth part of their purchases, because production is artificially checked and price enhanced to that extent; but meantime the "protection" has been serviceable in enabling a new industry to rise up in India, thus preparing the way for the "boon and blessing" spoken of by Mr. Bythell. We need scarcely remind our readers that orthodox economists admit that an import duty is permissible for such a period as will admit of indigenous material enterprise and capital being brought together and fairly started in the race of international competition. This proposition has been urged with much force on behalf of the struggling Australian manufacturers; and without pushing the argument so far as it has been carried by Mr. David Syme and other able writers in defence of the really high protective duties of Australasia, we must admit that it affords a good plea in bar of hasty abolition of our small Indian import duties. It speaks well for the temper in which this fiscal question is likely to be treated by our merchants, that we find their spokesman quite anxious to suggest some substitute even to the extent of hinting at a one per cent. income-tax before sweeping off the million or so of revenue which the obnoxious import duty produces. . . . . .

The commerce of Bombay has had inflicted upon it an encumbrance of at least one million sterling, and a leading member of the Chamber thinks that the remedy for this monstrous state of things is for merchants to have some formal method, as in the Port Trust Board, of saying that they are willing to submit to the pressure! The depression of trade, of which we have been speaking, derives its most ominous significance from the dread that, in consequence thereof, the burden of that encumbrance checks all chance there is of any returning prosperity; yet, with this death's head at the feast, we have the retiring Chairman of the Chamber

> "Washing his hands with invisible soap,
> In imperceptible water"—

whilst he congratulates his fellow members on that cold-blooded line in the Government resolution, the other day, in which the irresistible masters of the Port graciously remarked that they were not yet quite prepared to condemn the commerce of Bombay to utter ruin! We trust that the Chamber has almost done with trifling of this kind, and that the Committee is prepared to unite in a vigorous and sustained effort to throw back on the authorities who entered into it, that land speculation which threatens so grievously the commercial future of Bombay.—*Oct.* 20, 1873.

HASTY LEGISLATION.

THE Press of this city cannot be reproached for being unable to follow the Bombay Legislative Council in its headlong course of law-making during the protracted Session which still continues. The list of Bills seems to stretch out in limitless perspective, like the line of Banquo's regal descendants. We shall never know when to expect the last. . . . The phrase, "it is better to settle all doubts," seems to imply that the

half-score gentlemen, sitting round a table at Poona, and virtually withdrawn from public observation and criticism, are competent, by passing certain resolutions, not only to supersede old Acts passed by the Government of India, and modify the scope of Acts of Parliament, but to override the codes, or evade established principles of jurisprudence and constitutional law. We venture to say that the prevalence of such a temper is unhealthy, and may lead to awkward complications. . . . . .

One inevitable effect of this hasty and too eager spirit of law-making is to make our honourables think it a small thing, but a commendable one, to continue in as many instances as possible to "withdraw whole classes of cases from the jurisdiction of the Civil Courts." We had hoped to see frequent and ostentatious use of this formula reproved by the Legal Member of our Executive; but perhaps he does not consider that he has yet had a good chance of doing so. We are no advocates of finnicking and wire-drawn distinctions either in pleadings or decisions; neither do we cherish any superstition in favour of judge-made law. On the other hand, the anxiety so frequently shown of late to circumscribe the action of our Civil Courts is by no means a good sign. That this tendency will be eminently unpopular may be inferred from the prompt and decided opposition aroused by the first mention of the Hon. Mr. Ellis's Civil Courts Revenue Jurisdiction Bill—an opposition which is likely to be redoubled now that the full scope of that measure is revealed. . . . . .

After the Bills are brought before the Council the time is far too short for any effective out-door debate, while that in the Council Chamber follows the drift given by the Executive after consultation *en bureau*, and, as usually happens, the non-official members are voted down in every division by pledged or official voters. This is a mere travesty of our British parliamentary system. With regard to the origin of Bills, there is another defect which applies to several, but it is one that is necessarily difficult to trace. That is, many of these measures which the Council goes through the form of debating are chiefly the projection and child of some energetic or pertinacious district officer. Should we have heard of the Tolls Bill this session, or would there have been such a tenacious hold kept on the provision to toll pedestrians, had it not been that a certain ambitious Collector has set his mind on having a big iron bridge which cannot be estimated to pay unless the wayfaring man be compelled to pay one pice for passage over said bridge? . . . . . .

It is very unfortunate for H.E. Sir Philip Wodehouse that his tenure of office should have fallen during such an epidemic of legislation. The Municipal Act alone, with its exasperating debates, was enough to dim the fame of any Governor; and now, after this Session of 1873, bristling with Bills as it does, he will require all his *bonhomie* and brisk business manner, together with the rapid disposal of many arrears, in order to regain for himself the favour and good opinion of the Bombay public. This personal view of the legislative fever and its results is, of course, the least important amongst the considerations that arise on a review of the Session. The irritation caused by the discussion of many of the Bills, and the worry that must attend the carrying out of several of the Acts, will not conduce to the smooth working of our ordinary administration, nor enhance the happiness of the people. The well-grounded complaints, which three or four years ago were raised because of the rapid rate at which the Supreme Legislative Council was proceeding, will now be turned against our Bombay Council, and with more effect, for the combined talents of Mr. Maine and Mr. Stephen would fail in an attempt to make out even a plausible case in justification of the baker's dozen of Bills passed at Poona this year, or now awaiting final disposal. . . . . .—*Oct.* 27, 1873.

OVER-LEGISLATION: THE PARLIAMENTARY EXPLANATION.

IT was in every way suitable that a brief explanatory address should be given, like that delivered by Sir Philip Wodehouse in his character as President of our Legislative Council, on the first occasion of its meeting in Bombay this session, and at its first sitting in the palatial halls of the new Secretariat. His Excellency's manner, too, was good, as it always is—frank in expression, but conciliatory in tone; slightly dogmatic in form perhaps, but in the gentlemanly style of the old school. Time, place, and circumstance being all in accord, it is just a little to be regretted that it will appear as if Sir Philip

spoke only in reply to the requisition for a town's meeting—that if it had not been for this somewhat tardy ebullition on the part of the public, the President would have held his peace, and merely gone on with sections and amendments as matters of course. We do not think it was so. Any public man with but half the apprehensiveness which our experienced Governor necessarily possesses, must have seen for weeks past that it was high time to excuse or justify what appears to everybody in Bombay as an undue quantity of law-making and an uncomfortably rapid rate of legislating. . . . . .

How, then, did His Excellency succeed in his vindication? To reply to this query is precisely the task which is set to the principal requisitionists of next Saturday's meeting, or rather to those who may feel called upon to speak on that occasion. After the fair and precise challenge thus thrown out to them no mere declamation or denunciation will be of any use. They must distinctly formulate their complaint—must test the proceedings of the Council as closely as possible by its own rules—must match the undoubtedly large mofussil experience of four of the official members, by, at least, equally exact knowledge of the people, and by intelligent appreciation of the exigencies of provincial administration. Having justified all formal objections, it will then be open to the speakers to criticise the policy adopted in the several measures that have been rattled through Council during the last two or three months. In doing this it will be needful that any orators who may be susceptible to the temptation of indulging in rhetorical effect should be on their guard against attacking the Bills as presented in their raw and crude condition, instead of dealing with the Bills as finally amended and adopted. . . . It was not practicable for the President in course of his chief address to notice more than half the Bills of this most prolific season, and it was beside the question for him to attempt to go into the merits of any of them. But as regards the incidental remark made in defence of the Tolls Bill, one might fairly apply to it the term "uninformed"; and we do this the more freely because it is high time the stock excuse often put forward for this measure were knocked on the head. We are all aware that scores of tolls now legalised have been levied "for years without the sanction of law." Complaints against them, and groans because of them, have abounded, though seldom reaching the height of our local Olympus; but are those tolls any more equitable, is the incidence of them on the cultivators who have paid for the roads in advance rendered just, merely because a demi-official committee sitting at Poona has passed a resolution declaring such levies to be legal? As "to no one being able to point out other or better means for collecting that amount of money for the preservation of the roads," we thought that the Advocate-General had pointed out that Imperial grants available for the purpose are not expended on district roads to nearly the extent that they ought to be. We trust that this hint of Mr. Scoble's will be followed up. It has frequently been our duty to point out how unequally this Presidency is treated in the allocation of Imperial grants, and it is inexcusable if, owing to oversight or want of discrimination on the part of the Public Works Department or other executive authorities, our ryots do not get the full benefit of such Simla doles as are offered in return for our copious Bombay land revenue. But we must resist the temptation to discuss details here. It was a proper thing for the President of Council to try to vindicate that body; it will also be a proper thing for our citizens to distinctly show at the public meeting where that vindication fails. There can be little dispute as to the abstract proposition—which occurs in one of our correspondents' communications last week—that "one law perfunctorily framed and hastily passed mars the effect of ten good laws."—*Nov.* 3, 1873.

The People's Reply.

II.—The Town meeting in our Town Hall on Saturday was a great and successful demonstration. The proper formality of the Sheriff being present the whole time was duly observed, Dr. Hewlett's compliance in that respect being very justly acknowledged by a special vote of thanks. The meeting was great in respect of the numbers and variety of classes and castes present; it was successful in respect of the unanimity and general good order of the proceedings; but, as might be expected from former experiments of the kind, it was hopeless for most of the speakers to be heard more than a few yards from the table. . . . This disability especially applies to the rather lengthy and presumably important address of the Chairman, Mr. J. A. Forbes, who, not having had

previous opportunity, was certain to utilize the present in order to justify his resignation of the honorary, but honourable and highly responsible office of legislator. That public confidence in him is as full as ever was unmistakably shown at this large meeting; and from the drift of the few observations he made in reply to Mr. Pedder's address it is easy to see that he bates not one jot of the determination and firmness which carried him through the severe task of Municipal revolution. The attitude then and now voluntarily taken up by this representative of the oldest European firm in Bombay is necessarily somewhat perplexing to the official mind. "Why should he give himself so much trouble? Why should any one go to work with imperfect information and inadequate tools, when we are willing to listen to anything he says and make such changes as are proved to be necessary? Above all, why should he take a course that may put wind in the people's heads, instead of using his influence—if he must attend to anything but business—in persuading them to be quiet and cherish confidence in what the ever well-intentioned *Sirkar* will do for them in due time?" There is much reason in this voice of the bureaucratic charmer; but, unfortunately, there is not quite enough argument for the occasion. . . . . .

Now and again some strong but irresponsible person has found and pointed out that the vessel of the State was drifting on to a lee-shore; and at those times the aid of such a strong man and his fellows has proved to be invaluable. Indeed, from the history of our times in free, public-spirited England, it would be easy to show that without the timely help of volunteers and outsiders—help not always proffered in the blandest tones and most regular form—the old ship would have "missed stays" and gone nigh to being stranded. . . . . .

Amongst the successes of the meeting we reckon the circumstance that Mr. Pedder asserted his right as a resident citizen to speak on the question in hand. Two of the subsequent speakers referred to what he had said, and no doubt the report of his remarks will provoke criticism; but this is just what we want. Mr. Pedder is in no way responsible for the provisions of the Salt Bill, though he is identified with its objects and reasons, being so far its author. Knowing all about the facts, it was perhaps not surprising that he considered a good deal of blatant nonsense had been talked on the subject; therefore it was all the more creditable to him that he did not disdain to go down amongst men who, he might suppose, were about to talk a good deal more. He referred with just pride to his report of 1870—not, by the way, a readily accessible document—in which the whole subject of salt manufacture, distribution, and consumption in Western India is thoroughly gone into. This report we fully described in a couple of articles about two months since; and—though, as Mr. Pedder proves by figures, it is no doubt quite true that a large amount of illicit transit and delivery has taken place in and through Bombay island—we showed that there are some grounds for distrusting his high estimates of smuggling for the rest of the Presidency. But discussion of details was superfluous at this stage; and in reply to Mr. Pedder's contention that as this reform in the salt excise had been talked of amongst revenue men for ten years, and his report was issued three years ago, it was an abundant answer to remark, that if the Government had, presumably, been considering the measure for three years, it is not reasonable to suppose that the general public could grasp its purport and tendency in less than three months. . . . . .

Those who perused our remarks last Monday in reference to Sir Philip Wodehouse's apology, and on Friday, in anticipation of the course to be taken at the meeting, will remember that while we spoke with considerable reserve, we directed attention to the more substantial business which had to be considered. Perhaps some may think that there should have been more direct and special criticism of particular measures that have passed the Council. Be that as it may, the address of Mr. Henry Bright, drawing a forcible comparison from the reiterated and protracted discussions which always precede the passing of Acts at home, and the exceedingly able, if somewhat too lengthy, speech of Mr. Kasinath Tilang, in which he so closely grappled with the official apologies put forward in Council, left little to be desired in justification of the larger political object of the meeting. When referring last week to the probable course that would be followed, we suggested that orators should put restraint upon themselves, lest they should mar the object they desired to serve; but one notable instance of this kind occurred. A certain Marathi gentleman, remarkable for his fluency of speech, very sensibly moved that words referring to the other and greater purpose of the meeting should be inserted in the

resolution relating to the memorial, which, by some oversight no doubt, spoke of the Salt Bill alone. This proposal was every way to the purpose, and was, no doubt, in accordance with the sense of the meeting; but the proposer, who was necessarily only half heard, wearied the audience by going into details about the Tolls Bill, so that his own amendment was lost sight of by dint of talking at the wrong time. So effectual was the mystification, that the European merchant whose own speech to a former resolution required the adoption of this amended form of the resolution on the memorial, jumped up to protest against the addition!—*Nov.* 10, 1873.

TWO PANICS—VIENNA AND BOMBAY.

IF communities could ever learn prudence and acquire financial foresight from studying the commercial errors of other nations or cities, then we might suppose much profit would accrue from perusal of the graphic and painstaking account of the Austrian financial crisis comprised in our Vienna letter in last Monday's paper. Bullionists blame the use of paper money; and currency doctors, whose panacea is inconvertibility, denounce the materialists who know no better than to call capital "money," and think nothing is money except golden sovereigns; but, when the fit of financial laxity comes on, communities composed of either or all classes of monetary theorists follow much the same course, and run in a similar circle of feverish business activity, inflated credit, crisis, crash, and panic, closing with the stupor of universal commercial distrust. Perhaps the only certain gain that one nation can derive from another in these matters is in its being thus plainly demonstrated that financial disasters have one common origin and development, though the circumstances in which they arise are infinitely varied. Due apprehension of this law does at least serve the purpose of keeping administrators, bankers, and other princes of the monetary world forewarned, and may often induce the wiser and firmer amongst them to stem the rising tide of financial folly.

Seldom has the essential similarity to which we refer been more marked than between the course of affairs in Austria in 1872-3, as described by our special correspondent, and that traversed with such disastrous results by Bombay in 1863-65. He does, indeed, give us credit for having had really a sound business basis to go upon when we started in our career of splendid error, and we must be thankful to him for this charitable view of our sad story; for, in truth, we are now very humble—in vernacular phrase, *bhôt ghârib*—and have little to say in our own excuse. The difference in starting was, as "Yorick" admits, much in favour of Bombay; except, we should remark, there was in the case of Vienna the more readily expansible productiveness of a European State and people to work upon. Bombay derived its influx and assistance mainly from without: the Presidency behind it had little industrial elasticity, nor can it have until irrigation and communications are multiplied fourfold. . . . For seven years or more, commercial Bombay, and, in less degree, its agriculture in the mofussil, had, in common with the rest of India, been reaping the advantage of enhanced prices in all our staples, partly owing to the general rise in prices, and partly, during the latter portion of the 1855-62 period, to the virtual suspension of the drain for "home charges." On this gradually formed basis of prosperity came the sudden addition to our income from the enormous rise in cotton, consequent on the American War. Here, then, was a pure addition to the wealth of Western India—often erroneously spoken of as if Bombay island absorbed it all—and, thereupon, we or our predecessors went ahead as brilliantly, and with, perhaps, more method in our madness than has been displayed by the dashing Viennese financiers described by "Yorick." Many have been the calculations to ascertain the total of the extra price poured through Bombay in the five or six years ending 1866, and we do not incline to make any laborious references on the subject, or travel over the ground again. . . . . .

Time heals all; but in Bombay this reads rather bitterly to us still; and the bitterness is deepened by personal regrets when we note this striking counterpart of our local history: "Every solicitor tried for a concession; every doctor, every merchant, went in for shares in some new society." This cuts too closely, so let us look again at the general comparison between Vienna and Bombay. In one respect there is a parallel in the regulations of the two cities affecting speculation, which is more striking than our correspondent could have supposed. Many of our citizens must have been reminded of time-bargains

and the Wagering Act by this statement—"Stock exchange debts not being recoverable by law, but being considered, like bets, to depend solely on the honour of those concerned, no transactions could possibly take place when once confidence was destroyed." We infer from this that the Austrian law ran to this effect long before the recent financial mania arose, and that speculators knew from the first that the Courts could give them no remedy. In Bombay, on the contrary, the "Wagering Act"—by which speculation, pure and simple, was put *hors de loi*—was not passed until the mischief was well afoot. And then, thanks to the mistimed efforts of Sir William Mansfield and two or three other sciolists of the time, the day for the Act coming into force was postponed—as if in cynical mockery of the widespread ruin which that wholesome statute might have prevented—until July 1st, 1865, the very day on which the "time-bargains" for "Back Bays" and other shares fell due and became recoverable. From our correspondent's remarks we gather that the chief effect which he notes as due to this immunity of speculative purchasers from process of law was that the panic became decisive and hopeless from the first hour of its setting in. But had he time to make further inquiry into the subject, it is highly probable he would find that the fact of sales of scrip for future delivery being non-enforceable had also very considerable effect in keeping down the number of such transactions and circumscribing the area of financial ruin caused by the crash. The "Wagering Act" of 1864 has fully answered its purpose in Bombay. Speculation for rise or fall of shares still goes on, and there have been thousands of time-bargains in the bazaar and share market since that Act was passed; but these transactions being unrecognized as legitimate contracts, the course of honest commerce goes on unaffected thereby. . . .

In these days of impatient readers and superficial treatment, few would imbibe the invaluable lessons proper to such an analysis unless they should be skilfully interwoven in some clear and exciting work of fiction. Mr. Alexander Shand, in that well-written novel, "Against Time," has hit off with great ability the salient features of the London speculations which culminated and collapsed in 1866. This letter from our special correspondent serves to suggest that if some author of equal power would write a new "Tale of Two Cities"—Vienna and Bombay—making his principal character live in Bombay from 1863 to 1866, and survive to go through the experiences of Austria from Sadowa to the Great Exhibition just closed in the city of the Kaiser, he would produce a book that every one would read, and that might inculcate lessons of financial management and foresight which no economist or statist could ever propound with effect.—*Nov.* 8, 1873.

A TESTAMENTARY OBLIGATION SHIRKED.

SHOULD the Municipality of Bombay undertake to pay Rs. 36,000 a year for the maintenance of the new Goculdass Tejpall Hospital? The Bombay correspondent of a mofussil contemporary has declared that the Municipality ought to do nothing of the kind, on the ground that the hospital in question is not wanted. The reason given illustrates the danger of giving weak reasons for conclusions in themselves sound enough. It is rather late in the day to consider whether the hospital in question is or is not wanted. It exists; and its existence, or rather the manner in which its existence was made a fact, entails upon the authors of its being responsibilities which render idle any discussion as to whether Bombay could not have got on very well without it. For our part, we have no hesitation in saying that the Municipality, in its present embarrassed condition, ought not willingly to accept the burden of maintaining this hospital, whether it be required or not; and we are the more clear as to their duty on this point because the responsibility of finding the necessary ways and means undoubtedly rests upon those who accepted and have laid out Mr. Goculdass Tejpall's money. That money was given for the building of the hospital on the understanding that they would provide—"out of their own resources"—for its maintenance as long as the sun and moon shall endure. This proviso, of course, precludes any terrestrial disturbance of the arrangement by even a convulsion of our planet—in or out of courts of law—and not even an eclipse can affect it in the smallest degree.

The origin of the trust, thus rendered perpetual, was this. In August, 1867, Mr. Goculdass Tejpall lodged Rs. 150,000 with the Government, and he sent a letter proposing that the money should be laid out in the building of a hospital, to be called after himself,

and to be maintained for ever by the Government and the Municipality. The Government never accepted this offer, and before anything was decided in the matter, Mr. Goculdass Tejpall died. He left a will in which the main design of building the hospital was still provided for, but with a notable difference as to the parties that were to be responsible for its maintenance. . . . No words could be clearer than these. "All" the expenses of maintenance are to be provided by Government "out of their own resources"— a condition obviously intended to preclude the possibility of the Municipality being saddled with a burden which it was at that time becoming painfully evident day by day that the local finances could not bear. The Government accepted the trust, and took the money. They built the hospital, which is now nearly finished, and they have a full right to manage it henceforth and for ever—and a clear duty to maintain it "out of their own resources." This duty, however, they show strong indications of a desire—to shirk. Last March they made a first attempt upon the funds of the Municipality, but the matter was then shelved by the latter on one plea or another. Now we find an item of Rs. 36,000 down in the Municipal Budget voted for the purpose of doing that which the Government are clearly bound to do. On the occasion of the first attempt to make the Municipality find the money, the executrix of the will of Goculdass Tejpall drew the attention of Government to the fact that the desire of her late husband was that the Government, and not the Municipality, should keep up the hospital, and that the provisions of the trust under which the money had been accepted were clear and definite on the point. . . . If Government have not taken the money under the will, under what instrument have they taken it? Under a letter containing an offer which had not been accepted at the time the man that made the offer died? It is hard to suppose that the legal advisers of the Government would advise such a plea to be set up. But even in that case it is plain that the Municipality could only be asked to pay half the cost of maintenance—provided they became parties to the acceptance of the trust at all—and they would, of course, be entitled to an equal share with the Government in the management. But the ground for the Municipality to take in the matter is marked out: the trust was created under the twenty-fifth clause of the will, and the Government, having accepted and used the money, are bound to carry out the conditions under which it was given.—*Nov.* 18, 1873.

THE COMING DOCKS.

THE rumour that His Excellency the Viceroy in Council has consented to advance the funds required for constructing docks on the Elphinstone estate is informally confirmed. This sanction is understood to apply both to the Musjid tidal basin and the Elphinstone wet dock, and thus the project of the Chief Engineer to the Port Trust, "taken over" from the Elphinstone Company, will be carried out in its entirety. This decision will, we trust, infuse some new life into our commercial community. In these our humble days the mere expenditure of four or five lakhs per annum in the island will be thankfully accepted; while the report spread abroad in the world that Bombay is about to do something grand for the accommodation of European shipping will go far to restore the fame of our city in the earth. . . . . .

Again, this veracious announcement about the Elphinstone docks, and the approaching construction thereof, is backed with a somewhat nebulous announcement by an up-country contemporary to the effect that the Supreme Government intend to make a clean sweep of "private enterprise" from our foreshore, and buy up all that it has not now in hand. This is to be done by virtue of the large powers always available under the Public Purposes Act. Thus, secrecy in one direction begets desperate guessing in another. It is true this would be the logical result of the position already assumed by Government in the Port Trust investment and constitution; but Governments seldom are logical, and perhaps it is well they are not. The argument that if the State enters into industrial enterprises, it must be a monopolist and not a competitor, has been urged with great force against the existence and policy of the Port Trust; but there has scarcely been time for that bold thought to ripen.—*Dec.* 3, 1873.

II.—According to a daily contemporary, the Elphinstone Wet Dock question has been brought to a conclusion by the consent of the Viceroy to Mr. Kettridge's project. Our contemporary makes the announcement presumably upon good grounds, but, accept-

ing the statement so far as it goes, no one need be in a hurry to consider the question settled. The official communication of the Viceroy's decision will, we are told, be made at once. But where is the decision of the Secretary of State in Council? Is Mr. Kettridge's dock so small a matter as to cost under or only ten lakhs, that the Government of India should be enabled to deal with it finally? It would not take long by telegraph to get the Viceroy's decision confirmed; but if the reference home be something more than a form, and the Viceroy's decision is only just made, is it to be supposed that nothing more in the way of confirmation will be wanted before the big dock, and the big dock alone, can be considered an accomplished conclusion, if not an accomplished fact? What about the channel, and the experiments to test its feasibility. . . . . .

How far Mr. Ormiston may have brought everybody *out* of Bombay to agree with him we will not venture to say, but very few competent judges familiar with our harbour are prepared to admit that it is a wise thing to found a dock so many feet below the bottom of the sea; and here lies the gist of the difficulty. The misfortune of the Port Trust is that it is bound up with a land speculation, and must be content, therefore, to accept a site for its dock in reference to that undertaking. Free from any responsibility in the matter of the Elphinstone Land estate, it is not to be supposed that the Trustees would have arrived at their present decision, instead of taking the work nearer the deep water and into the way of trade, and making it thereby a scheme calculated to supply the real requirements of the port, and, what is more, a paying scheme, which need not fear competition with the Sassoon or any small dock. It is much to be lamented that the Port Trust cannot abjure its character of Sindbad the Sailor, and be relieved of this Old Man of the Harbour before committing itself to delusive, because too costly docks from which the trade of the port must be so considerable a sufferer.—*Feb.* 3, 1874.

THE PORT TRUST BUDGET: THE WAY OUT OF THE WOOD.

WHEN the Chairman of the Port Trust was selected, we ventured to remark to the effect that if anything could rescue the undertaking from utter confusion and hopeless embarrassment, it was the choice that had been made of a thoughtful, firm, and experienced Engineer officer to fulfil the functions of that post. . . . The Chairman suggests that if the deficit must be met by compulsory payment, the levy should be placed on merchandise, as tending more to equalise the charges on trade. This may appear so as a matter of arithmetical calculation; but, however the burden be distributed, it must fall on commerce, and will *pro tanto* tend to aggravate that depression under which all our interests are suffering. Colonel Ballard sees this clearly, and, therefore, declines to recommend the imposition of any further uncompensated charges on our sea-borne trade. But an equilibrium must be aimed at, for, as the Chairman justly observes, until the Trustees feel themselves free from the anxious and somewhat degrading position of being compelled either to oppress their own customers, or thwart the efforts of other wharfingers or capitalists, they cannot fulfil the purely public function which they affect to administer —namely, that of giving their efforts to the general improvement of the port.

The revenue side of the account being hopeless, the Chairman turns to consider the permanent fixed charges. He proceeds to point out—what is plain to every one who looks fairly at the monster speculation—that the Trustees can do nothing to any purpose unless they are relieved of some considerable portion of the dead weight of interest charge pertaining to the land estate. He, therefore, makes the plain, straightforward proposal that 40 lakhs of the Trust's capital debt shall be transferred to the non-interest paying schedule. Probably, the Government of India will be shocked to hear this proposal; but to this complexion it must come at last. If the reply should be, that in case the interest-bearing debt were lessened to that extent, then an equivalent portion of the land estate must be transferred, we should strongly advise the Trustees to close with such a proposal at once. Colonel Ballard, in his comprehensive review of the prospects of the land estate, shows plainly that it is an investment for an empire, rather than for a dock company. This transfer at 4½ per cent. would give a relief to the extent of Rs. 1,80,000, thereby covering the deficit and affording a margin for the Trustees to work upon. There are several broad, general grounds on which this suggested absolute transfer should be made; and though we do not think Colonel Ballard's proposal goes far enough, it is a bold and business-like opening up of the only true way to a settlement. . . . . .—*Feb.* 20, 1874.

THE BEHAR FAMINE—IRRIGATION.

IT is quite worth while to refer back to the Famine Relief meeting in the Town Hall on Saturday, report of which appeared in our Monday's impression. It was scarcely likely that any new light would be thrown on the subject of the famine, and how to alleviate it; nor did any speaker attempt to show himself wiser than Sir George Campbell or the Viceroy. The topic is one that admits of oratorical display; but we have here no local Demosthenes nor fluent Babus, so the meeting escaped the infliction of having to listen to flowing periods and grand perorations. All the speakers, each in his way, was brief, business-like, and to the point. His Excellency, having been elected as president by acclamation, proceeded to state the case, giving a brief narrative of the relief measures adopted by the Viceroy and Government of Bengal up to the present time. To our readers, already familiar with every step of the anxious story, the speech will present no salient point for remark, unless it be towards the close, where Sir Philip referred to the present energy of Government in constructing communications and promoting public works in Behar. The spasmodic haste with which, according to some accounts, this is being done, might well attract severe criticism by way of contrasting the grudging, dilatory fashion in which public works, including those for irrigation, are ordinarily carried out, and the headlong speed with which tramways and metalled roads are now to be improvised. The remark of His Excellency, that in estimating for public works, especially those of communication, some part of the cost or interest should be credited as an insurance fund, may be a trite one; but the present calamity affords striking proof of the soundness of that principle. . . . . .

It may be remembered that, in December, when defining the limit of the tracts suffering from drought, we pointed out that north of the Ganges and east of the Gunduck there is scarcely a single irrigation work worth mentioning, although Behar and northern Bengal abound with streams or waterways which might be rendered of inestimable service, and for lack of which all India now looks on with anxiety and pity. In another column may be observed a description of two large irrigation projects for the province; but nothing is decided upon in reference to them. Whilst, however, we would enforce again and again the one great lesson of this Behar famine, and have thus seized upon His Excellency's passing reference to the subject, we would not forget that from the standpoint of financial equity, Western India has a far stronger claim on the central Government for irrigation funds than has Bengal. . . . Not all the special anxieties of the last few days prevent the people of Bombay from thinking of their suffering fellow subjects in the east; and we hope soon to return to the subject as one which demands earnest attention.—*Feb.* 18, 1874.

THE MAHOMEDAN ATTACK ON THE PARSEES.

IN the early part of last week the air was rife with rumours and reports, but only one scrimmage took place, and all the more enlightened part of the Parsee community were fast acquiring the confidence needful to carry them and their families through the ordinary business of life. Still, as our news columns testify, there are still large numbers of people who witness night approach with much apprehension. Both the Europeans and Hindus can perhaps afford to regard this trepidation as weak and foolish; but authorities responsible for the comfort and welfare of the whole community will not wish to neglect the fears or misconceptions of any large classes in our varied society. It would be short-sighted and weak to found a policy on the base dictum, *divide et impera;* but half of the art of Indian rule consists in dealing promptly with the claims, the menaces, or the fears of each caste and large sections of society as occasion arises. In this instance the fears of the Parsees were aroused a fortnight ago, and, as the result proved, with too much reason. The lower class of the Mussulman population not only menaced, but struck ere the spirit of turbulence was dealt with. Arrests followed, as a matter of course; and it is just in this commonplace fashion that the incarceration of 100 howling rascals is regarded by their *confrères*, who know the faith of Mahomet only by its name and the licence which they ignorantly suppose that faith gives to aggression and plunder. Arguing from mere general analogy, it was supposed that the arrests would cow and deter the Seedee and other *budmashes*. Not a bit of it! The armed troop, over 300 strong, which formed the funeral procession of Sunday week was quite equal to the enacting over again

the deeds of the previous Friday. The difference was, first, that there were a few police present to restrain them, headed by a resolute Inspector; and second, the Parsees were not altogether taken unawares. The evidence regarding the commencement of those hostilities is very conflicting, and probably may remain so to the end; but it is not quite irreconcilable. . . . . .

The Executive Government were very imperfectly informed of the state of affairs on the Saturday evening; hence they made the mistake which should never be committed by an Indian Administration—that of neglecting to deal with sectional difficulties in time. The fatal error seems to have been adopted of drawing too close an analogy between the course of civic commotions in Europe and in India. There the approved method with administrators of a military turn of mind is to allow the tumult to come to a head, and then dispose of it with a "whiff of grape-shot." Here, the hateful visage of riot should not be allowed to present itself as on Friday last. When it does come abroad the opportunity should be taken of the very first lull to confront it, not only with adequate material power, but with all the moral and personal forces of the Administration. Such an opportunity offered itself on Saturday night, but it was allowed to slip by to the great misfortune of the city. We should not, perhaps, thus hasten to endorse the lesson whilst it is fresh, were it not that further danger has now been obviated, at least for the present. The totally different arrangement about the other Mussulman funerals which took place on Monday last, and the ease and safety with which that little crisis was overcome, showed that the authorities have now got the difficulty well in hand.—*Feb.* 23, 1874.

THE NINE STITCHES TAKEN.

II.—The Government of Bombay having on Monday afternoon taken the nine stitches which one from the Police Commissioner last Friday morning would have saved, there must henceforth be an end of all apprehension about civic commotion. It is impossible that the wave of panic can subside at once, or so soon as it would have done on Saturday evening; but it has been going down fast since our general announcement yesterday morning of adequate precautionary measures having been taken. And from the hour of His Excellency Sir Philip Wodehouse's authoritative announcement in the Cowasjee Jehanghir University Hall, the whole city, including the excited Parsee community, has been rapidly recovering its wonted sense of security. Doubtless, our news columns, in their necessary faithful record of yesterday's occurrences, will bear some appearance of continued turmoil. There may also, for the next day or two, be a few sporadic cases of assault and battery; but the knowledge that Government has set its foot down, quite as much as the announcement of the irresistible physical force now at the disposal of the authorities, will reassure the panic-stricken and effectually deter the riotously disposed from any further aggression.

We do not for a moment underrate the gravity and, in one sense, the risk of the step Government have incurred in the interdicting for this year of the Taboot procession of the Mohurrum. There is no disguising the fact that thereby the whole Suni division of the Mussulmans must suffer some disability and deprivation because of the misdeeds of their ignorant brethren. But these outrages all respectable Mussulmans condemn as emphatically as do the European community. They will now understand there is nothing for it but to submit; and all Mahomedans whose opinion is worthy of notice will acquiesce quietly, if not cheer fully, in this precautionary and, tosome extent, penal measure. We believe the interdict is unprecedented, and it is quite possible that varying opinions may be held as to its policy and political propriety; but it is now the part of all good citizens to accept the decision as that of the Executive authorities responsible for the peace of the city and the preservation of subjects' lives. It matters nothing now if we think that whilst the disorder was in much smaller compass, it might have been checked, and in that case this severe repression of one portion of the population would not have been called for. Sir Philip Wodehouse's Government has taken its stand, and it is the duty of every loyal subject to support His Excellency in the step now irrevocably taken.

Without distinct authority for so saying, we may state our conviction that this suppression of the Mohurrum processions has the sanction of the Viceroy in Council. It is already plain, at any rate, to the reading portion of the population that the Bombay Government has abundant force at its back to maintain its order and enforce its decrees;

but special means should at once be taken—if this has not already been done—to make the ignorant multitude clearly understand what to expect. The order to keep the Seedees* in the harbour, supposed to be given on Sunday morning, does not appear to have been properly made known to them until yesterday; and we trust that ere these lines appear these dusky followers of the Prophet will have been told, and in terms which they cannot mistake, that there must be no play in this Mohurrum, whether they choose to work or not. As to our Parsee citizens, it is scarcely necessary to say that we trust all classes amongst them will endeavour to guard against any temptations which a sense of deliverance and consequent exultation may induce.—*Feb.* 23, 1874.

THE MUSSULMAN MASSES AND THE SIRKAR.

III.—The city is again, we trust, returning to its normal condition, though precautions cannot be relaxed, and there is much simmering beneath the surface. By and-bye there will be much of this above the surface; but when the Mohurrum shall have passed, the Mussulman masses having seen that the *Sirkar* must and will be obeyed, and when the Parsees' panic shall have subsided, we can do with any amount of excitement if it will only be content to expend itself according to approved methods, through the safe channels of the law courts and public discussion. But it is desirable that all false issues should be set aside, and that every care should be taken to arrive at a righteous judgment. Especially is this aim incumbent on all in authority. Seldom has there been an instance in Bombay when the exercise of independent and impartial judgment was more urgently required. This is not the less so because it is alleged by the community which has borne the brunt of this tumult, that a bias against them has been manifest in high places. Of course, it is out of all question to suppose that our public functionaries can be influenced by prepossessions in any particular decision to which they come in the course of their duty; but that some such bias has existed is patent to many observers. This is none the less, but more, to be regretted if such prejudice or dislike is also entertained by a large portion of the European community; but it is of the very alphabet of Indian officers' administrative lessons that at all times and under all temptations they shall, in their public acts, rise superior even to the suspicion of partiality or leaning against any particular class of the community. . . . . .

If any of the Zoroastrian club men of Saturday night could be identified, every one, decent Parsees included, would be glad to see them put on their trial for assault and battery; but the furtive way in which attempts have been made by some police emissaries to lock up a few Parsees in order to exhibit them as aiders and abettors, not only of Saturday's attack on the Seedies, but of the justly alarmed, though unduly excited Sonapore defenders, is a matter that requires careful watching by officials who desire to act justly and with discrimination. The firmness of Mr. Nana Morojee in refusing to give bail to certain Parsees charged with rioting, should meet with commendation; but this incident brings out in striking contrast the extraordinary laxity shown in letting loose the alleged ringleaders of the Khetwady disturbances on the 13th. . . . . .

Let it be known that Government is determined to discover the instigators or planners of the raid of Friday, the 13th; let liberal rewards be offered for the exposure of those who have afforded aid and comfort to the Seedees, Arabs, and Mehman rioters of the 13th and 15th; then the springs of civic disorder will at once be paralysed. Instead of depending wholly on repression from without, let the authorities go to the root of the matter and contract the forces of sedition from within. This can be done. We have ourselves certain names which might prove exceedingly useful and suggestive to an accomplished and circumspect detective. It should also be made known that the Bombay Government can command or obtain the services of men who are more than a match for the handful of miscreants who have brought incalculable trouble on this city, and driven an ignorant brutal mob to their own undoing. The necessity and enormous advantage of striking to the heart of this noxious humour in the body politic are so obvious, that we assume the authorities are already far on the track we have sufficiently indicated.—*Feb.* 26, 1874.

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* Stalwart African Mahomedans employed as stokers and labourers on steamers.

THE SUSPENSION OF THE TABOOT PROCESSION.

IV.—From the first we never concealed our conviction that the order for the suspension of the Taboot procession was a strong measure which only extreme necessity could justify. Of this necessity His Excellency in Council is the sole responsible judge, and his deliberate decision to this effect having been duly promulgated, it is the duty of all good citizens, Mahomedans included, to do their part in upholding the prohibitory decree. This sentiment is universally shared by all sections of the community who can think at all; and the public, as a whole, fully approve of the firmness with which Sir Philip Wodehouse has declined to accede to memorial after memorial praying that the ancient Mussulman carnival might be permitted under restrictions. It is well known to all but the most ignorant that the *Sirkar* has abundant force at its disposal to crush any overt attempt that may be made to infringe the order, or to stamp out any contumacy or resentment that may be displayed in consequence of the *Sirkar's* well-considered *zubburdust* (hard-handedness).

That is all clear: at the same time, we feel constrained to recur to the subject of our remarks yesterday. Apart from the plain and paramount consideration that if disgraceful outbreaks like this are to be prevented for the future, the instigators and covert abettors of the present riot must be identified, there are certain urgent reasons why immediate steps should be taken in that direction. This line of action is as much more urgent than are military orders, as prevention is better than cure. Indeed, to strike to the centre of the sedition would be the way to a complete cure not only for to-day, but for all future time in Bombay. Yesterday we were willing to believe that the authorities were already well entered on the track of research we have indicated, but we must confess that some more open assurance of such intelligent action being undertaken is much required to-day. . . . Neither the loyal public nor the dangerous classes have had a single sign given to assure them that the one thing needful has been done—that is, to mark down the secret leaders. To do this would be worth a dozen peace meetings and two regiments of horse. But time presses. For the needs of to-day and to-morrow it might suffice to exercise the powers of surveillance and surety-taking against certain semi-ecclesiastical officials, without whose consent, tacit or avowed, organized mob disorder cannot take place. As to the far more important political object of getting to the root and beginning of the whole affair, precious time has already been lost; and, as the correspondent of a Calcutta contemporary significantly points out, the materials for conviction are being rapidly dispersed. Here, again, do we feel the lack of some determined, experienced, and guiding mind. . . . .

The ratepayers have, indeed, to pay police rates; but the Municipality has nothing whatever to do with the organization or management of the Police. That rests entirely with the Local Government, the Supreme Government having some remote say in the matter. What little power in this way the Corporation had was carefully eliminated from the new Municipal Act; therefore sufferers by the riots will get nothing by kicking at Mr. Pedder's door. Their remedy should, in the first instance, lie against the officials and managers of the Mosque from the precincts of which rushed the ugly mob of Friday, the 13th. Failing to get evidence to connect the mob with the Mosque, the next resource will be to the Local Government, the real managers and principals of the Police; and it is from the "Provincial Funds" that compensation must be sought. If extravagant demands are not made, pecuniary recompense should be readily obtained in this quarter, and without litigation. As to the terror and anxiety endured by the weaker members of the Parsee community, and the dishonour because of desecrated shrines—for these things there is no remedy.—*Feb.* 27, 1874.

THE MORAL—FIRMNESS AND IMPARTIALITY.

V.—Order is restored. The firmness of the Bombay Government in stopping the street processions has been vindicated. So far as outward appearances go, all is tranquil, and there is now opportunity to look back on the local history of the last sixteen days. The extra force for the preservation of the peace will, if but for the look of the thing, be retained in the streets a few days longer. The greater part of the European community are quite tired of the subject, and wish that both parties, especially the Parsees, were at Jericho. It is intolerable, say they, that there should be so much trouble about a mere half-lakh of people, many of whom, seeing they speak English provokingly well and affect to

display public spirit, perhaps really share that quality, are disliked with that special kind of repugnance reserved for the behoof of poor relations or intrusive kinsfolk from a distance.

Still, as the Duke of Wellington remarked, though in a very different sense, "the country must be governed;" and admitting that the short list of broken heads, and the easy wholesale arrests by the police, speak poorly for the mob force, compared with what is seen after a jolly good election riot at Limerick or in the "black country," it cannot be denied that there was from the 12th to the 14th a temporary failure in the great art of government. It has blown over now, and the mischief was prevented from spreading; but there was sufficient manifestation of predetermined lawlessness to convince all competent observers that there was a defiant spirit at work, which, if longer disregarded, would have rapidly spread. Its manifestations were circumscribed, the snake is scotched; but no one can say it is killed, and, if the art of government is understood, that will yet be done. How, then, shall this be accomplished? . . . Perhaps we shall see more clearly the purely public and political nature of the question on review if, instead of the Parsees, we substitute some other sect or caste, as if that had been the mark for the rioters' animosity.

Take the Banians, for instance, who not unfrequently in the mofussil have become obnoxious to the Mussulmans, as these in their turn have sometimes been menaced by the Banians. What, then, would be thought of any district authorities if it could be alleged that after they had been warned of an intention on the part of the Mahomedan populace to fall upon the Banians at a certain time and place, this warning had been neglected, and the Banian quarter had been attacked before a single effort had been made by the head of the police to restrain the assailants? And let us suppose that, after the first attack, whilst a lull obtained, the Collector, Political Agent, or other superior authority, on being appealed to by the heads of the Banian community to make some authoritative declaration and take special precautionary measures, the said Collector were to fail to see the necessity for moving in the matter, and assure the unhappy Banians that the police were competent to attend to the business. Let us imagine, again, that the very morning after this interview, it were to turn out that the head of the police was still so little aware of the assailants' disposition, that he allowed a tumultuous, formidable mob of them to congregate and pass through the Banians' quarter, and a serious riot were to take place requiring all the available force of the police to quell it. Had, we say, occurrences like this taken place in Kattiawar, in Guzerat, or in the Southern Mahratta Country, what would have been the course pursued by the Governor in Council and by the Secretary in the Political Department? Would not an experienced and trusted servant of Government be at once sent down to institute an inquiry on the spot? Would there be the slightest hesitation in this course, even though some Gallio in high places were to suggest, as to the immediate sufferers from this disturbance, "Ah! they are only a few poor-spirited, vegetarian Banians; why did they not stand up for themselves?"

Of course such a sentiment would be frowned out of court at once. His Excellency in Council would not care to ask what was the caste of the people injured. It would be sufficient for him to know that the peace had been broken, and that, too, on a settled plan, and by a defiant mob mainly got together for the purpose. And if it turned out that the special Commissioner sent down found that the Collector had, at the critical time, implicitly trusted the reports of the Police Superintendent for hours or even days after lookers-on perceived that the said reports were insufficient and misleading, would he not at once suggest that this was a case for a thorough investigation, in order that the riotous element and scheme might, once for all, be traced to its source? And if the said Commissioner found that the "public opinion" of the district ran much against the looted Banians and strongly in favour of the worthy Collector and the jolly good fellow at the head of the police, would the representative of the Executive not also add, that in the interests of justice and healthy administration it was essentially necessary that the investigation should be conducted by skilful and experienced men from another division, and wholly unaffected by the "public opinion" of the disturbed district? The Bombay Executive would at once accede to this; and if the town where this premeditated riot took place were some conspicuous one, where an active popular opinion existed, such as Surat, Ahmedabad, or Poona, would it not be arranged that such an investigation should be conducted as far as possible with open doors? No doubt it would; and in all this the Bombay Government would only feel that it was doing its obvious duty.

In changing the scene from some remote mofussil town to the capital city; in giving up the supposed Banian sufferers of our illustration for the Parsees, who have been not only terrified, but badly hurt, and for the Zoroastrian communities whose shrines have been desecrated, is the necessity for prompt, searching, and independent investigation any less apparent? Does not this become tenfold more imperative? We are ashamed to have to notice the supposition that because of some cherished whim or personal and class antipathy against the Parsees, there is less chance of this scandal and offence against British administration being thoroughly looked into, than as if the organized rioters of the 13th and 15th had attacked the Banians, Bhattias, or Brahmins. This miserably petty partiality cannot obtain any influence in the councils of Government; and we may rest assured that the high character of British administration will, in one way or other, duly manifest itself in regard to the riot of 1874.

Apart from the commonplace aspect of this episode, which relates to the protection of the public and the efficiency of the Police Commissioner, there is the much larger subject of the premeditated design on which the outbreak proceeded. We have already given sufficiently broad hints on this branch of inquiry, and, for the present, leave it to be dealt with by a correspondent in another column. It is not needful to enter into any argument to show that of far deeper importance than even the police question, but connected with it, is this—how shall the State lay its iron hand on that lawless element which can be commanded at will by men who, when their religious bigotry is concerned, scorn our rule and despise the behests of law?—*March* 3, 1874.

BRIGHT TINTS OF BOMBAY:

From Mackintosh to H.R.H. Albert Edward.

WE must not omit to take passing note of a remarkably interesting paper in last Wednesday's *Gazette*, entitled "Poona and the Peishwas—a Retrospect." The literary merit of the essay is considerable, though very unequal. The historical portion, though abounding with facts, is heavily charged with denunciation of the Mahrattas; and it might be a useful exercise for some of our clever graduates of that race to show what could be said as set-off against the sweeping condemnation of their forefathers. But it is the opening and close of the essay in question that chiefly attract our attention to it. Here we find revived the ever-pleasing tradition of Sir James Mackintosh in Bombay—at his beloved Parell. It seems a century or two since this writer first read Mackintosh's vivacious and often touching memoranda of his life in Bombay. Though it all passed between 1804 and 1809, the men, the scenes, the surroundings, all fenced off by the weary voyages round the Cape, are at once so familiar and so far, that, as we dwell on them, one might be reading an episode in Morris's "Earthly Paradise." Let us dismiss the fascinating vision once more, and turn to the prose of the present day.

This we find supplied in the *Times of India* of this morning, which demands that the statues—or rather groups of statuary—of Wellesley and Cornwallis, in the procuring and sheltering of which Mackintosh took such lively interest, now suitably embowered in the Elphinstone Circle, shall be dragged out into the dusty highways of the city. There may be something said for this proposal, and our contemporary says it; but we cannot think the public suffrages will be with him. As it was left to this journal to remind the public of the existence of these statues when Sir Richard Temple spoke, by inadvertence, of the Prince of Wales's effigy being only the second statue in the open air in Bombay, we may be permitted to have a passing word on the subject. That is, we protest against the vulgarization of these masterpieces of Chantry and Flaxman by sticking them at the roadsides; while as to hauling the two Elphinstones (our contemporary mistakes the commoner for the peer) out of the Town Hall, the notion is worthy of an auctioneer. As to Sir Bartle Frere's, that may be sent—to the Zulus.

II.—During this last week the time has come for the floral glory of Bombay Island—the brief bright reign of the splendid flowering tree, the Goolmohr, which in crimson and scarlet, sparely set off by the feathery green of its foliage, gladdens the eye in nearly every compound and suburban roadside. It is told of the great Linnæus that when he

first beheld a Magnolia tree in full bloom he fell on his knees, in a transport of enthusiastic admiration, and thanked the God who had given the world such a vision of beauty. In like manner, if "natural piety" still found place on the earth, any ardent botanist from the sober north might be forgiven for going into raptures when, on arriving in Bombay at this season, the glory of the Goolmohr should burst suddenly on his sight. From a botanical friend we have received explanatory notes which will be read with interest.

[These need not be reproduced here. They comprise scientific description of the two kinds of Goolmohr which enliven the Bombay Esplanade in the later weeks of the hot weather, the *Poinciana Regia* and the *P. Elata*. See also Lindley and Moore's "Treasury of Botany," 1866, p. 910.]

—*May* 15, 1880.*

DOCKS AT LAST.

HIS Excellency Sir Richard Temple was in his element on our New Year's Day *fête*, the chief actor in, and head centre of the pleasing ceremonies and hope-inspiring proceedings with which Bombay signalised its new step in nautico-commercial progress—the actual entry of large sea-going vessels into the Prince's Dock, with its area of thirty acres. Sir Richard was the picture of modesty itself, when, in replying to Colonel Baker's toast in his honour as Governor of Bombay, he spoke of the high compliment implied in comparing him with several of his notable predecessors. And, no doubt, his mild protest was perfectly sincere; for he understands, perhaps better than any one else present, wherein lay the value of such administrators as the dignified and reserved "John Lord Elphinstone," or the strong and silent Sir George Clerk. Nevertheless, "tools to the man;" and Sir Richard Temple was the man for the occasion, as will be seen by newspaper readers everywhere on perusal of his own and Colonel Baker's speeches, or on reading the copious and, in many respects, effective descriptive reports furnished by our two daily papers. In the lofty open building where the generous luncheon provided by the Port Trustees was spread and the speeches were delivered, it was vain for any but a Boanerges to expect to be heard beyond a hundred feet or so. It is on occasions like these the public appreciate the inestimable service rendered by the broad sheet diurnal. To the expanse of print displayed in the papers of to-day we must refer those who desire to trace how Mr. Ormiston, the justly proud and successful engineer, vindicated his own prevision; how Mr. Glover, the flourishing contractor, showed that the pickaxe and wheelbarrow of Brassey's time have been superseded by the efficient mechanical appliances of our day; and how sentiment and social science were evolved from the story of the Dock and its inauguration by our resident American orator. Note should also be taken of two silent witnesses—one of whom was once a power in Bombay—who had the first hand in, so to speak, "creating the site" of which this fine dock is the centre and purpose.

It is now some thirteen years since the present writer took the side of the "one lift between ship and shore," when wet docks were first seriously planned for Bombay; so he may venture to confess to slight feeling of personal satisfaction on seeing the noble form of the Peninsular and Oriental Company's *Cathay* moored alongside the western or inner wharf of the Prince's Dock. But while the principle of a public work may be sound, and the engineering skill manifested in its execution worthy of high praise, mistakes in choice of a site, or financial complications, may cause the ultimate result to fall far short of a commercial success. The Prince's Dock is a fine structure, and the difficulties of the approach have been overcome; but the undertaking, as a whole, is immensely overweighted with the "white elephant" of its landed estate, and the altogether extraneous cost of the railway reclamation. Either such fees must be levied on shipping as will injure the trade of Bombay, or the State must sustain the Port Trust deficits as it does for many of the guaranteed railway lines. For the present, however, no one can think of anything but the fine spectacle on Thursday, and the enthusiastic speeches, of which that of the mathematical Chairman of the Trust—who ought to have known better—was chief in its bold discounting of the future.

Some little mishaps that occurred on the first essay of using the Dock are such as always befall on such occasions; so we need not dwell upon them. . . .—*Jan.* 3, 1880.

* This and the remaining extracts are from the *Bombay Review*.

THE GOVERNOR-GENERAL'S WEEK'S WORK.

NO; we will not attempt any sketch of the Marquis of Ripon's proceedings in Bombay during the past week. At best we could only give a series of diminishing vignettes after the manner adopted by *Punch in India* in 1867 to celebrate the "assistance" rendered by its artist in inaugurating the Kennery Lighthouse. The dailies have well performed their functions as exponents of His Excellency, the still new Viceroy, and as chroniclers of his visit to Western India. From the Byculla Club dinner to the return to Parell yesterday (albeit one of them carefully omitted to say at which station the arrival took place) and the much-to-be-regretted attack of fever, the daily papers of Bombay have proved equal to their reputation. Their subscribers and the public generally ought this week to be specially grateful to the conductors of the sheet diurnal. For not only have these benefactors spread abroad every sentence uttered by his Lordship in public, and duly published all his goings out and comings in—for which service we do homage here—but they have given supplements galore, replete with the news and reports crowding in from Europe.

As last week we supplied, in advance, an alterative to the course of Lord Ripon's speeches, which have followed thick and fast during the week, we need now only add a remark or two. Without even approaching effusiveness, or reminding one of that mellifluous blandness that is exasperating to the robust British mind, his Lordship's addresses, never too long, have been apt, well spoken, and happy in their often unexpected turns of application. These qualities have been observable, from first to last, from Byculla to Poona, so we need not particularise. The impromptu manner of the brief remarks at the St. Xavier College on Tuesday, and the guarded but evidently thoughtful and sincere response to the excellent political address of the Poona *Sabha*, both indicate characteristics that may prove highly valuable in public debate, and in the arduous controversies of the bureau. Elsewhere we have referred to the civil circumspection with which His Excellency met perhaps the most exacting and disputatious address he has received during the whole course of his tour. That was very good at Poona yesterday; when, evidently beginning to tire of the much talking in public that inevitably falls to his Lordship's lot while travelling, he said: "I do not think that the Viceroy of India ought to be given to much speaking, and, certainly, I for one would much prefer that when my term of office comes to an end, the people of India should be able to say, 'Well, he has on the whole been better than his word,' than that they should say, 'He has used large sounding phrases, but has done nothing to give them a tangible shape.'" We cannot leave His Excellency better than at this point.

II.—The Bombay dailies, on behalf of the Chamber of Commerce, were very easily pleased when they accepted the civil remarks of the Marquis of Ripon as implying approval of the Railway portion of the Chamber's address. It was little more than a polite platitude for His Excellency to say he agreed with the Committee in thinking that a "uniformity of gauge on main lines is a matter of great importance." There are many other matters of great importance; and, amongst those of "great magnitude" to which his Lordship alluded, is the solvency of the railway system of India. He only too modestly disclaimed any wish to rest upon his own "individual opinion"; but, with his knowledge of the finance of the Indian railway question, he must have been almost appalled at the levity with which the Chamber's Committee treated this subject. To any one who, like his Lordship, is accustomed to view these questions of "great magnitude" in all their breadth and ultimate scope, the spokesmen of the Chamber must seem to have had broad-gauge on the brain. He was obliging enough to give the Committee credit for being "no enemy to the narrow-gauge system under proper conditions"; but His Excellency was giving his interlocutors too much credit. Nothing else but big and heavy railways will suit them; and break-of-gauge must be avoided for their convenience, regardless of cost—to other people, that is the Indian taxpayers. The absurd and exaggerated estimates, embodied in the address, of the cost and inconvenience of transhipment at one or two points in course of a long railway route, must have almost taken his Lordship's breath away. Logic is nothing to partisans such as the compilers of this address. Thus the absence of suitable open trucks on the half equipped Rajputana line, and consequent accumulation of timber and bar iron

at Saburmati, is debited to break of gauge! Then, too, the comparison, once more trotted out, between the first cost of the Wadwan extension of the B.B. and C.I. and that of the Rajputana line, is entirely misleading. If the address were intended as a serious argument, that portion of it would call for renewed refutation; but, as the passage is merely part of the hap-hazard special pleading against the more economical style of railway, it will only serve to weaken the Chamber's legitimate influence.

In another branch of the subject, one even more within the province of a mercantile body, the Committee seemed to try to show how far it could put itself in the wrong. The obvious principle, that the most direct practicable route to the sea must be most advantageous to every interest connected with the export trade, was ostentatiously disregarded in the address. We allude to the paragraph in which the preposterous proposition is put forward in favour of a railway from Dharwar to Dhond, to "open up (the) valuable cotton-growing districts" of the South Mahratta Country! It seems incredible that merchants, whose whole interest in this matter is concerned in obtaining easy and direct traffic with the interior for both exports and imports, should go out of their way—as the Chairman did more particularly in his spoken remarks—to advocate the more roundabout and costly means of communication between the coast and the producing districts. The only explanation, and a very sorry one, is that, as the extra cost by the more expensive route will fall on the producer and the revenue, the merchants care not a jot so long as their supposed convenience is served. With regard to this aspect of the railway question, a correspondent of much experience writes us thus: "'I had hoped that the Chamber of Commerce would have had the grace to say something in favour of the line from Karwar in preference to that from Marmagao, and was not prepared to find that there was any intelligent merchant who still questioned the expediency, not to say the *necessity*, of direct communication by rail between the S. M. country and the coast. . . ." The misfortune is, that when such short-sighted views dominate the traffic arrangements of any great emporium, its fancied superiority is doomed from that time. The consequences fall upon property owners and the resident community; while the mercantile partisans, who resist the changes and expansion which trade demands, can retire or remove their floating capital, and thus evade the losses which their narrow and selfish policy has invited. Our Chamber of Commerce has often had to complain of small official obstructions and delays in matters of detail; but when, in respect of large questions of public works and communications, that body cherishes narrow local prejudices, there is no wonder that it loses influence with higher authorities who are accustomed to survey such subjects as a whole.

With regard to the superficial remark by the Chairman about the "irregularity and inactivity connected with coasting communication," we may contrast it with one we once heard made by the late Captain Henry. Standing on the Kennery Lighthouse, and viewing the white sails of a crowd of coasting craft coming up from the south towards our harbour, he said: "Ah! where would Bombay be without that trade?" Here was the representative of one of the largest steamship companies in the world who could recognise the enormous advantage—nay, the prime necessity—of cheap transport for bulky produce. Men who cannot realize the force of argument behind that simple remark by our lamented and capable citizen, are not the persons to discuss large questions of trade communication with a Governor-General of India.—*Dec.* 4, 1880.

THE MARQUIS BEARS THE PENALTY:

Bombay Exonerated.

THE incident of the week is the sickness of the Viceroy. Various bulletins, received since his departure from Bombay last Sunday night, will be found amongst our telegrams. We may as well quote here the one received from the Press Commissioner late last night:—

> Calcutta, 10th, 5.5 P.M.—Following telegram from Allahabad was received in Calcutta at 1.30 P.M. to-day:—
>
> The Viceroy has passed a good night, but there is no material change in his condition. Temperature remains the same; the pulse is somewhat higher; there are no signs of any specific form of fever.

None of us who know how depressing and prostrating are the effects of "a touch of fever" can think lightly of His Excellency's indisposition. On the other hand, this is

obviously only the inevitable acclimatisation experience through which all Anglo-Indians have to pass in one form or other. In all probability, his Lordship will feel more at home after this visitation has passed than he has hitherto done during his, as yet, brief sojourn in the tropics. The more serious aspect of the matter is the exaggerated significance which is almost certain to be attached to it in England, and especially amongst the governing classes, who are already prone enough to shirk their personal duties to India and the Empire. Probably, unlucky Bombay will be debited with his Lordship's fever; but that would be exceedingly unfair. After enduring the scorching heats of the Punjab, passing through the burning plains of Scinde, visiting the malarious desert of Kutchi, His Excellency goes through an immense amount of physical and mental exertion in holding levees and attending public gatherings in Bombay, is then taken to Elephanta in the dewy eve, and passes through the fascinating but perilous pleasure of an *al fresco* dinner, not in, but outside the caves, returning through the cold midnight air to Parell. As if all that were not enough to induce to exhaustion and invite congestion, the zealous and devoted victim is rushed up the Bhore Ghaut, driven about Poona, city and cantonment both, and is then rushed back again to another State dinner and evening party at Parell. Before this last stage of tension was reached the distinguished patient is compelled to give in. Indignant nature puts in her determined protest; all India is discomposed, and society in England is confirmed in its prejudice against the Indian climate. It seems to us that Bombay itself can have very little, if anything, to answer for in this result. It is high time this city and island were vindicated, and that His Excellency's advisers and Staff, the Court physician included, were put on their defence. By the way, is this last named personal adviser an Indian doctor? But, anyhow, there is now little, if any, cause for uneasiness; and we trust that before these lines reach our readers his Lordship's convalescence will be announced.—*Dec.* 11, 1880.

VALEDICTORY.

IN one of Lord Lytton's facile after-dinner speeches, finding it needful to repeat himself on some topic or other, he deftly excused the iteration by referring to the noted Puritan divine who made at least three several attempts ere he could finally say farewell to his flock. In like manner our readers must be reminded of "more last words from Mr. Baxter" by this our third attempt to bid them good-bye. But as the proverb has it, "third time pays for all," so they may fairly count upon this being the last number of the *Bombay Review*—subject to a still lingering remainder of reservation. That is, we claim to retain copyright in our title, and should the exigencies of public affairs seem to call upon us "to revisit the glimpses" of politics, local or imperial, we may, once or twice in a way, renew our colloquies with our constant readers and faithful subscribers. But this very conditional intimation is one in which our critics or detractors, if such there be, have more concern than have our friends.

For the rest we may refer students of current history back to our Epilogue, No. 52, November 29th, 1879, wherein are described the conditions that render difficult the maintenance of an Anglo-Indian weekly journal; also the objects and reasons that make such a serial a valuable element in the Indian Press if it could be sustained. Again, in our paragraph in No. 104, "Two Years Ago," certain natural regrets were expressed, between the lines of which some of our friends may read more than the outside world. But odds cannot be made even, and it is useless to struggle against the impracticable; though there are private considerations and other engagements that now precipitate our resolve to suspend publication. To our few advertising friends our thanks are very much due; while as to our subscribers, especially those from the first—which seems a long time since—our gratitude will be ever due. So once more—Farewell!

Happily, the anticipation with which we ventured to close our remarks last week on the illness of His Excellency Lord Ripon has been fulfilled. His Lordship may now be regarded as fairly entered on his convalescence.—*Dec.* 18, 1880.

'THINGS OF INDIA'

MADE PLAIN;

OR,

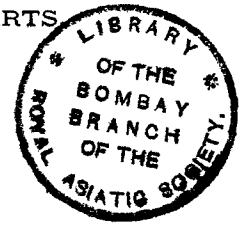
A JOURNALIST'S RETROSPECT.

By W. MARTIN WOOD

(*Formerly Editor of the* TIMES OF INDIA *and of the* BOMBAY REVIEW).

TO CONSIST OF FOUR PARTS.

PART III.—SECTION 5.



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PREFATORY NOTE TO SECTION 5.

OF THE ASIATIC

IT has been found needful, because of the diversity and importance of the topics dealt with, to extend the number of extracts forming this Section; so that, in dimension and comprehensiveness, it may be regarded as a book in itself. Though the selections are necessarily fragmentary, facility of reference and comparison has been aimed at by means of footnotes; and many of the titles are made explanatory in form, thus obviating the need for going into details in this note. The historic sequence also serves, in some degree, to illustrate the changes in public controversy; though it cannot be claimed that there has been much of natural evolution in the course of Indian finance during the dozen years or more covered by this retrospect—1865-74 and 1878-80. But that is the fault of the subject itself, and of the several authorities who are or have been responsible for control of Indian affairs. It has been part of the writer's duty to explain how there has been so little progress in dealing with India's financial policy, and to indicate how great is the need for more earnest and continuous effort in that direction. In modern states finance underlies or dominates every phase of policy. In the case of British India, as a dependent country, that factor, which is entirely under the control of our governing classes—very imperfectly tempered by Parliamentary checks—not only affects the political future of the Empire, but all the industrial and commercial fortunes of the people, and the very lives of the impecunious masses of the Indian population. Hence it is hoped that this publication, especially its later portions, may induce a few men of "light and leading" to turn to the study of this eminently imperial subject, and devote fresh energy to its investigation. The plan of this work aims at evoking effort on part of the reader. Though he may already know the leading facts of Indian finance, it is only by such effort, devoted to comparison and searching below the surface, that those facts will fall into their proper focus and perspective. These excerpts being the outcome of direct contact with the financial history of modern India should—when supplemented by reference to authoritative records—be found useful in working out that process of persevering examination by which alone Indian finance and its bearings can be fully understood.

It will probably be considered that amongst the more useful of these selections are those that deal with the proceedings of the Select Committee of 1872-3, of which no report was presented, though a full Index was compiled by the late Mr. E. B. Eastwick, at the request of the then Secretary of State for India—Sir Stafford Northcote. Though the procedure of that Committee was badly arranged, its inquiries covered a very large portion of the whole field of Indian finance; and—as illustrating the reference made above to the lack of continuous progress in this subject—it may be remarked that few of the questions then raised have yet been settled; so that the "interned," though not interred records of that Committee will have to form the starting point of that thorough and authoritative investigation into Indian affairs, which, though often promised, yet remains to be entered upon. These extracts also serve to recall many interesting personal reminiscences of eminent men now passed away, including, besides the two above mentioned, Sir Bartle Frere, Lord Lawrence, Professor Fawcett, Sir Charles Trevelyan, and others scarcely less notable.

There is one branch of the subject to which, perchance, some may consider that too many extracts have been devoted, that is the "tribute" drawn from India as an inevitable consequence of its financial and political dependence on this country; but attention to the facts and figures set out in those extracts is earnestly solicited. The subject is far more generally understood now, than at the period when the writer found it necessary to treat it "line upon line;" but he must leave it to thoughtful critics to decide whether that treatment, as here recorded, is even yet superfluous. That topic is followed out, under later circumstances and the accumulating pressure caused by the revolutionary frontier policy, in the extracts under the head of "The Pit into which India is Drifting." If it should be felt that these and similar passages tend to raise a feeling of hopelessness regarding the future of our Indian Empire, the writer cannot help that; but he would disdain to foster any admission of helplessness. Rather would he, in presence of this Indian problem, apply Emerson's noble apostrophe to England in his speech at the Manchester Athenæum, in the dark days of 1847: "All hail! mother of nations, mother of heroes, with strength still equal to the time; still wise to entertain and swift to execute the policy which the mind and heart of mankind requires in the present hour."

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PART III.

5.—FINANCE: IMPERIAL, PROVINCIAL, ANGLO-INDIAN.

AN ANCIENT BUDGET:

Income-tax, Export Duties, and Salt.

SO far as we have had time to examine Sir C. Trevelyan's valedictory essay in finance, we feel no hesitation in saying that it will require a considerable amount of plausible and ingenious reasoning to justify it in the estimation of both the mercantile and political public. . . . Whilst other financiers are striving to simplify all their plans so as to reduce to a minimum the occasions for interfering with the daily operations of trade, our outgoing Minister saddles our commerce with seven new imposts at two or three different rates. Two of these—the duties on tea and coffee—are levied upon new, and yet struggling, branches of our higher class of agricultural industry. A similar remark applies to silk; though the principal effect of that export duty, and also that on wool, will be to check the transit trade in those articles with Central Asia, by way of Kurrachee and Bombay. Export duties are justifiable only in such unusual cases as was that of saltpetre when the duty was imposed by Mr. Wilson. . . . This Budget will be welcomed in China, Ceylon, Siam, and the vast undeveloped fields of production throughout the Eastern Archipelago. Perhaps Sir Charles will plead that his new imposts are little ones; but the plea is only another condemnation of his measures, as, for all this meddling with the daily operations of commerce, he only promises us a paltry income of £330,000. . . . . .

Perhaps we may be reminded that the Income-tax abolition forms a bright line in the new Budget. No doubt, it will be so spoken of by those who regard taxes only from the superficial consideration of their own visible individual payments. Such opinions are, of course, not worth taking into account for a moment; but there are many who have deemed the Income-tax unsuited to the peculiar habits and character of the Indian peoples. On this ground it was mainly that in our own columns the introduction of the Income-tax was opposed; but now the question stands entirely on a different footing. *Now* we have an Income-tax in India; the people are partially reconciled to it; the machinery for its collection was being gradually improved, and by judicious management the revenue from it might have been steadily increased. There are strong reasons in favour of the abstract equity of a judiciously assessed Income-tax. It is an impost fairly intended to fall on the taxpayers "as nearly as possible in proportion to their respective abilities—that is, in proportion to the revenue which they respectively enjoy under the protection of the State." . . . . .

There is just one other item of this uninventive, make-shift Budget to which we would

allude. Sir C. Trevelyan has bethought himself that, after all his pains, his successor might find himself short of cash during the year. Anxious to provide Mr. Massey with some resource in case of disaster, the departing Minister suggests that the new one may help himself out of—salt! Thus the Budget is made to comprise an assortment of all the special vices of Indian finance. Sir Charles, having abolished the Income-tax, and bidden Dives to clothe himself in purple of deeper dye and in linen of finer texture than ever, then points his successor to Lazarus—the beggar at the gate, from whose crumbs something may yet be mulcted. As bread in the Western world, so salt in the East, is identified with the idea of life itself; and it is pitiful to see our retiring Minister threaten to lay hands again on this necessary of existence. However, Sir Charles Trevelyan,—probably wearied out with the atmosphere of Calcutta, though dwelling in "Elysium Row,"—affords another proof that original mental vigour can make no long stand against the physical enervation induced by the climate of Bengal.*—*April* 8, 1865.

Sir Charles the Ungracious.

II.—Sir Charles Wood, in the style of his despatch wherein he rebukes the Supreme Government for repealing the Income-tax and imposing export duties, reminds one of the second couplet of a noted epitaph on a royal namesake of his. It was said of the "merry monarch" (albeit, very guiltless of merriment is our Sir Charles) that "he never said a foolish thing, and never did a wise one." Here was a wise thing to be done,—the reversal of a mischievous fiscal plan;—but in the doing it, the ungainly Secretary must needs write in the most harsh and peremptory manner that pen could frame, and without making the slightest allowance for the circumstances of the case. We suppose that even Viceroys have some *amour propre;* that civility, being cheap, would not be wasted on them; and that the splendid position of being a Governor-General is scarcely sufficient to reconcile a man to being made the scapegoat for offences which he has done his utmost to prevent. The excessively ungracious style of Sir Charles Wood's despatch (which appeared in our issue of Saturday) will become more apparent when read in the light of the papers to which it was a reply—the Supreme Government's "Minutes relating to the Income-tax," which we published as a supplement on Monday. These Minutes commence with one by the Governor-General, in the first line of which he expresses his "very great concern" that Sir Charles Trevelyan is opposed to the renewal of the Income-tax; he also states that he very unwillingly gives way, as being in a minority against his colleagues, and he records an emphatic protest against their policy. The whole of his thoughtful paper is in substantial accord with the despatch from home, the stern, rebuking tone of which might easily have been made to apply to the real offender, Sir C. Trevelyan.

With the exception of Sir John Lawrence's own minute, the whole drift of these papers is in favour of the repeal of the Income-tax. The great argument of all the writers is, that of keeping faith with the Indian public in regard to the promise made by Mr. Wilson when, in 1859, he imposed the Income-tax—a promise which has since been frequently renewed by Mr. Laing and others. . . . . .

---

* Though the above criticism on the Indian Budget of 1865 must stand, we should be as ungracious as the other Sir Charles of that period if we now omitted to testify to the large services rendered to India by the late Sir Charles Trevelyan in the domain of practical finance. To his energetic efforts, in the earlier part of his career, were mainly due the abolition of the transit duties up to that time maintained by the Company. This measure marked a distinct step of progress in the internal commerce of the country. And though octroi duties still subsist in many parts of India, they were effectually discredited by Sir Charles's vigorous opposition, and those that remain are only retained for strictly municipal purposes. Though his revolt, as Governor of Madras, against the Income-tax imposed by James Wilson to meet the severe financial difficulties caused by the Mutiny, can scarcely be justified, it must be remembered that Sir Charles's motive was to shield the smaller taxpayers from the extortion which he deemed inseparable from such tax. His continuous efforts also to keep down needless expenditure should not be forgotten; but the most valuable contribution that Sir Charles Trevelyan rendered to sound principles of Indian finance consists in his evidence placed before the Select Committee of 1873. When that subject shall again be seriously taken up that record must be reverted to. One sentence in that evidence may suffice to indicate its principal drift: "855. The decentralization of the finances is the key to the solution of the whole problem." In other passages he testifies to the futility of the Indian Council's ostensible control over expenditure. The chief passages in Sir Charles's evidence have recently been republished by Mr. J. Dacosta as an appendix to his pamphlet, "The Financial Situation in India" (P. S. King & Son; 1887).

At the time when the financial statement was made we deemed that, practically, it was a great mistake to shelve the Income-tax, instead of retaining it in some modified form as a starting point for some better system of direct taxation. We must confess that now, when the Indian public have placed before them the string of reiterated promises that the Income-tax should be repealed, the moral and political arguments in favour of that course seem stronger than they possibly could do to outsiders last May. Yet for all that, when there was offered, as an alternative to that repeal, the imposition of export duties, there can be no question that the Income-tax should have been temporarily continued instead of so retrograde a policy being chosen. Export duties, as a matter of financial principle, we had supposed were as completely condemned and discarded as is the practice of indiscriminate phlebotomy amongst the doctors. . . . We imagine that, at any rate, Sir C. Trevelyan will be the last British financier who will dare to bleed national commerce at its source. After a comparison of all the arguments advanced in these minutes in favour of the peremptory obligation to repeal the Income-tax, though we admit their moral and political weight as applied to the particular instance, the whole case appears most conclusively to show the impropriety of financiers ever making such promises. Analogies drawn between rules for the conduct of individuals and principles of national policy are in every case more or less delusive and misleading. A nation cannot exact a promise, and no statesman who gives a pledge can possibly ensure its fulfilment. . . . . .

Public Works: Departmental Secrecy.

However, it is quite clear that at last our leading Indian statesmen have fully admitted that there is laid on them a special political and social obligation to promote organic material improvement in this country. There now remain the two leading questions of detail, with all their ramifications—how the funds are to be raised, and what form is the organisation to assume by which the outlay shall be applied. . . . As to the former question, though of great importance, we conceive it is simple enough; and the following judicious remarks by Sir C. Trevelyan serve well to open it up:—

> It is objectionable, both in an economical and political point of view, to impose heavy taxation for works of improvement. The best employment of money of all is that which the industrial classes make of their annual savings for their own advantage; and it is of no real benefit to the community to interfere seriously with this, and to cause general harassment and discontent, in order to accelerate the execution of public works. It would also be unjust to the existing generation to place an undue burden upon it for works which are intended for all time to come.

All this closely accords with the policy often advocated in this journal—that public works, the permanent utility of which may be unquestionable, should be provided for by loans that the Government of India should be free to obtain in the cheapest market. Of late years there has been spare capital in India that might often have been available for this purpose. It is true that, owing to the greater value of capital here, a slightly higher percentage would have to be paid to resident Indian holders; but that might be amply compensated for by the additional political security thereby gained, and so the condition of buying in the cheapest market would still be fulfilled.

The publication of these important Minutes three months after the occasion which called them forth, raises the general question as to how much longer the Indian public are to be kept in leading-strings. No one would wish that confidential discussions on financial and political measures of which the Government must alone bear the responsibility should be published before a conclusion is arrived at thereon. But it is incomprehensible to the common mind why documents, on which action has already been taken in India, should be hermetically sealed until they have travelled the ten thousand mile journey to and fro between Westminster and Garden Reach. Three-fourths of these State papers, after such a lapse of time, lose that interest which, if published when new, they would have excited in a very large circle of readers. Representative government is for India an ideal which we may toil after in vain; but there is no reason why the autocracy tempered by public opinion under which we live, should systematically withhold that authentic information which is the only nourishing aliment on which intelligent discussion can thrive.—*July* 20, 1865.

CHEAP GOLD AND DEAR SILVER.

THE Government of India having appointed a Commission to consider the working of our present systems of metallic, as well as paper currency, there is now a little more practical interest attaching to this topic than was the case when we wrote upon it during last week. Since then, also, our Chamber of Commerce has discussed the subject. The commercial community, we fear, will regard the process of inquiry by commission as a very tedious one. The necessity for a change is felt to be very pressing even in Bengal, but here on this side of India the pressure has been much greater, and Bombay merchants may naturally feel a little impatient at the prospect of the cotton season passing away without anything being done. On the chief point to be considered—the propriety of admitting gold into Indian currency—nearly every one has made up his mind except Sir Charles Wood (now happily the *late*) Indian Secretary. Most people have come to a still more positive conclusion—namely, that gold having become more abundant in the world than ever before, it is exceedingly injurious to India to exclude it from our currency. It has also been assumed as a consequence of that proposition that silver should be demonetized, that gold should be made the standard of value, and henceforth decreed as the only legal tender of metallic money. . . . It is our object here to mention certain considerations that, no doubt, will also weigh with the Commission just appointed against their President's advocacy of an exclusive gold currency. . . . . .

It will be seen that, for our own part, we do not recognise any imperative necessity to interfere with the present silver standard of Indian coinage, more especially since the increasing yield of the metal tends to check the rise in its price. Neither does there seem a necessity for setting up a gold standard, in the sense in which the rupee is the standard of value and the measure of obligation from Government to the public creditors. The mint stamp on the new gold coin would, indeed, be a "standard" or attestation of its weight and fineness; but that is mere matter of necessary convenience, and carries with it no political or financial results. If the bugbear known as "danger of disturbing the standard of value" could be expelled from this discussion, a practical solution would speedily be found for our currency difficulties. To decide on keeping the standard as it is, would be our method of exorcising the evil sprite which has hitherto brooded over all these discussions. That method may not be readily accepted by those who, like Sir W. Mansfield, have somewhat ostentatiously staked their judgment on the arguments for the imperative introduction of a gold standard and the demonetization of our silver rupees; but we offer our suggestion towards a solution of the difficulty to the notice of those who are willing to accept whatever may prove to be most expedient. . . . . .

What is wanted is some method of bridging over the chasm between the present semi-barbarous stage of commerce in the Indian mofussil, and that state of enlightenment which would be implied in the ryots cherishing rolls of bank notes. The best way to construct such a bridge, as it appears to us, is to arrange in the first place for the free influx of a metallic currency one-fifteenth part the weight and bulk of that in which alone the ryot now puts his faith; that step once gained, the banks and bank notes would gradually follow. In a Government paper currency we possess an invaluable aid towards effecting a complete revolution in the popular misconceptions on currency and finance; and it is matter for great surprise that none of our Indian statesmen or financiers have yet hit upon some practical plan for this end.*—*Feb.* 14, 1866.

A NEW FINANCIER ADOPTS AN OLD SUPERSTITION.

MR. MASSEY, in his financial statement, somewhat gratuitously informed the Council of India that an unnecessarily large cash balance was repugnant to every

* In presence of bimetallist discussions, and the unsettlement caused by the appreciation of gold, it may have some steadying effect to consider the very different conditions in 1865-6 as indicated above. As to the suggestion that gold might be used in the currency as subsidiary coin or collateral legal tender, the British intellect, even in its more receptive Anglo-Indian form, seemed unable to realize the possibility of the less costly metal being, at the same time, retained as the standard of value. Yet that this course was practicable was shown by an order being issued, which remained in force for three or four years, that sovereigns should be taken as legal tender for ten rupees. At present a sovereign in India will obtain fourteen rupees. Had gold been made the standard Indian currency in 1866, the "appreciation" of that precious metal and corresponding depreciation of silver would have been far more rapid than has been the case.

dictum of political economy. He, moreover, thought it necessary to add, that all money in excess of £11,000,000 sterling* so locked up had been retained on "principles as senseless as those which induce the natives to secrete their wealth in the earth." The honourable gentleman is therefore a believer in the facile theory which assigns the hoarding propensities of the people of this and other Asiatic countries as a main, indeed chief, cause why the flow of the precious metals to this continent continues to expand. "First catch your hare," wrote a prudent female economist of the domestic school; and to the propounders of the not inconvenient theory to which Mr. Massey has thus somewhat prematurely signified his adhesion it might, in similar spirit, be said, First demonstrate that the people of Asia, or at least those of India, are the hoarders you assume them to be, before stigmatising them as so "senseless" as to bury in the earth gold and silver that might safely and reproductively be kept in circulation. To do this, would, we apprehend, rather puzzle the theorists; for, contrary to general belief as it may seem, we believe the truth to be that there are few large hoards of money in this country, and infinitely fewer small hoards in the form of buried pots of rupees than any who have not given the subject some special attention would be found prepared to suppose. . . . . .

To begin with the beginning: where is the real basis of fact for the assumption that the natives are inveterate hoarders? They are, it may be conceded, as regards savings, accumulative in a very high degree—in a degree that some European populations might not disadvantageously emulate. They have the virtue of thrift to an extent that would gladden the heart of Mr. Gladstone. But that they are unwilling or disinclined to invest some money profitably, when such investments may be made with positive safety, or that they hoard for the mere sake of hoarding, are propositions which are effectually disproved by an attentive consideration of the past and present circumstances of India. . . . . .

The question therefore is, where has the money so withdrawn gone? It has disappeared, yet it has neither been hoarded nor exported. The solution, we take it, must be sought for in an adequate consideration of the immense amount of money requisite to the saturation of the accumulative propensity in a population of between 180,000,000 and 200,000,000 of people. A considerable quantity of the silver imported has undoubtedly gone to supply the still independent native States and the more recent of our annexations and conquests with a circulating medium; but by far the largest quantity has been absorbed by our own agricultural subjects. These, after supplying themselves with all requisite and even fancy articles, have generally, in the districts developed by the great demand for produce—as in the Bombay Presidency especially—laid by a little store as provision against any future time of trouble, either national or domestic. The amount of money thus withdrawn from circulation must, we admit, be immense; and yet it cannot be said to be hoarded. At any rate, accumulations of this kind should not render their owners as "senseless" and contemptible in the estimation of a Finance Minister, who, however new to India and Indian topics, must at least be aware—though the country has, as yet, done without anything like a poor law—that seasons of drought, and consequently of ruined crops, are by no means infrequent. It should also, it seems to us, have struck such a Minister as, in some degree, matter for congratulation that the Indian cultivator so prizes money in excess of his requirements that, unlike the negro or the reckless classes at home, he needs no other inducement to enlarge the limits of cultivation than the likelihood of obtaining a good price for the excess produce so raised. It would, we admit, be more convenient to special interests if the cultivators were less accumulative, we will not say more improvident. Nevertheless, it is by no means clear that a large consumption of imports by the cultivating class is essential to the progress of Indian civilization. At any rate, the cultivators themselves seem to think they must be in still better circumstances before they can safely indulge in what to them are foreign luxuries. We do not say they will always remain of this mind, or that such is desirable. We only observe that in their way they are doing well, and are not hoarders, though possessed of spare coin and keeping savings' banks of their own.—*May 3, 1866.*

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* The cash balances in India now range from £11,000,000 to £12,000,000, and in the Home Treasury £3,000,000 or £4,000,000; this last being needlessly high. About ten years later than the above dictum of Mr. Massey's, his successor, Sir William Muir, contended it was needful to keep £15,000,000 in the Indian treasuries. And under Sir Richard Temple as Finance Minister, the cash balances were allowed to go up to nearly £20,000,000, besides £2,000,000 at home. Mr. Massey's opinion as to the amount of cash needful to be kept in hand was more reasonable. The cash balance in India at the end of the 1887 financial year was £13,000,000, and in the Secretary of State's Home Treasury over £5,000,000.

MR. MASSEY'S FIRST BUDGET:

Calcutta Merchants and the Bengal Defigit.

THE Committee of the Calcutta Chamber seems to have been anxious to show to the world that they have souls which, on occasion, can rise above questions of tariffs and indigo. In an extensive pamphlet, in the shape of a letter addressed to the Financial Secretary to the Government, they advocate certain fiscal measures which, in their closing sentence, they affirm are "supported by the sanction of unimpeachable justice." This is taking high ground; but, as so often happens with people who take unwonted flights, this would-be State paper dwindles down into proposals which will remind everyone of the proverbial *mons parturient* sort of result. Nevertheless, were there a still smaller proportion of the Calcutta merchants' fiscal manifesto that we could agree with than we find is the case, we should feel disposed to commend their professedly sincere attempt to master the principles and facts of Indian Finance. They avowedly come to the consideration of this wide subject free from the bias of any mere sectional trade dispute; and though their class and local interests do prove sadly too strong for their own logic and the exalted principles to which they appeal, they err unconsciously, and have evidently made some unusual effort to ascertain how things are, and how they ought to be shared in the matter of Indian taxation.

We do not care to discuss the four proposals put forward by the Chamber, because it is difficult to understand for what intent they are advanced. If they are simply meant to show Mr. Massey that he might have raised half a million in other ways than by a license tax,—well, the point is gained; but then that object could also have been fulfilled by suggesting a capitation tax on old men of sixty or on maidens of six. If the Committee's four propositions are offered as suitable to form a substantial portion of a budget, they would require to be supported on such very different grounds that it is impossible to discuss the several imposts within reasonable space, and, besides, it is not worth while, considering the manner in which they are put forward. A succession duty, or rather an inheritance or *nuzzerana* tax, is the fairest of all taxes; and had we Finance Ministers with originality, some effort would ere this have been made towards the institution of such an impost, but it would be many years before the yield of a succession duty became important. The enhancement of the salt duties is the pitiful object to which, in this ambitious way, the Chamber's serious effort is given, and this after showing by their own tables that the salt duty yields two-fifths of all Indian taxation! It is easy to prove that the salt duties arithmetically calculated fall very light—a little over a rupee per family a year, and in Bombay it is only two annas per head—but if it is light, the Chamber has shown us that other imposts are lighter still. The Chamber is welcome to have the salt duty equalized if it be worth while, but we imagine that smuggling and evasion would rapidly increase with any enhancement.

And now we have a parting word for the Calcutta merchants, and one of considerable importance. They have begun to talk about equalization of the poll tax of India (for such is the salt duty in effect), and they have asserted for themselves a capability of discussing the equity of our present fiscal system. We would propose to them a task which deserves the exercise of all their newly-found talents, and which they are bound to accomplish in deference to the teaching of the group of lofty principles to which they have just proclaimed their enthusiastic adherence. Instead of trifling about the difference between the salt duties of Bombay and Bengal, let them turn their attention to the striking inequality in the total payments to the Imperial revenue that are furnished by Bengal and Bombay respectively. The Chamber will find that Bengal—the oldest, richest province of India—pays far less than the proportion justly due from it. This may be shown in various ways, but for the present it will suffice to take the following table from one of the home papers, the *Examiner*, into one of the outlying corners of which it had been thrust, as of little consequence. It will be observed that although the current and correct statement of revenue is here given, the numbers for population are in the aggregate considerably under the fact, and Bombay and Bengal—the latter especially—are understated. The opium revenue, as being paid by the Chinese, is very properly omitted by the English compiler from the account:—

Provinces.	Population.	Revenue, except Opium, in Rupees—2s. 1865-66. Actual.	Revenue, except Opium, in Rupees—2s. 1867-68. Estimate.	Per Head, 1865-66. Rs.	Per Head, 1867-68. Rs.
Bombay	12,051,871	7,32,38,500	6,71,45,130	6·07	5·57
British Burmah	2,196,180	1,00,60,650	1,14,13,535	4·58	5·19
Madras	24,205,509	7,03,33,750	7,48,53,550	2·905	3·09
Bengal	38,539,341	9,06,10,420	10,09,06,410	2·36	2·62
Punjaub	14,230,424	3,19,45,180	3,42,89,550	2·24	4·41
N.-W. Provinces	30,074,854	5,66,84,760	5,87,46,715	1·88	1·95
Oude...	8,326,647	1,30,72,200	1,39,20,810	1·56	1·67
Central Provinces	7,879,900	98,02,190	1,07,86,375	1·24	1·37
Total* ...	137,505,726	35,60,47,660	37,20,62,075	2·59	2·71

It is here shown that this Presidency, with its large tracts of infertile territory, contributes nearly twice as much to the Supreme Government's revenue as does Bengal, by far the wealthiest province in India, every zillah of which is cultivated. But the table above is imperfect, and the imperfections are such as tend to hide the full contrast between this Presidency and Bengal; while, if the true respective statements of expenditure were also brought to account, the inequitable preference in favour of Bengal might even astound the Calcutta merchants in their new-found zeal for economic righteousness and fiscal justice. We have no hope that they will become our coadjutors in following up this really important subject; but some of the other provinces of India (Madras to wit) are interested in it, and we look to them for support, as also for that of the Finance Minister, who, as supreme arbiter, is bound to adjust the inequalities between the different provinces of India. One great problem of the day is to bring about such a re-arrangement of the imperial taxation of India that Bengal may bear its fair share of the national burdens, and, moreover, that the several classes of population in that Presidency shall respectively contribute in their just proportions, which at present is very far from being the case.—*June*, 1866.

II.—In a certain important public document some little time ago addressed to the Viceroy in Council, occurs the following statement of the cardinal principle in national finance, that it is the duty of all subjects "to contribute to the support of the Government as nearly as possible in proportion to their respective abilities—that is, in proportion to the revenues [private income] which they respectively enjoy under the protection of the State." The document to which we refer, is the letter from the Calcutta Chamber of Commerce, in which the committee of that body pleaded for remission or modification of the License Tax, and suggested certain other imposts as substitutes for the new and obnoxious levy. Having at the time pointed out how signally the committee had failed in their attempt to apply that equitable principle, which, nevertheless, they expounded in such clear and effective terms, we need not now do more than refer, in passing, to the fact of such failure. . . . When it is shown, as we propose to do, that Bengal does not bear its fair proportion of our imperial taxation, and that other provinces are continually mulcted to make up for its shortcomings in this respect, we can scarcely hope that the Calcutta Chamber will "move heaven and earth," or the Viceroy either, in order to redress such inequality. There is, however, a far wider audience to which we can appeal. Not only are all the taxpayers and administrators of this Presidency directly interested in having this injustice redressed, but all those public men who may be desirous to establish or conserve their reputation for statesmanship,

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* Making the comparison on the basis of population (as is done in a subsequent article), the contrast is still more striking. The figures in the old table quoted above from the *Examiner* are absurdly below the mark as regards Bengal, the population of which being about two-thirds more than is there given, requires the revenue contribution *per capita* to be reduced to a mere fraction. Whilst the land revenue drawn from Bengal remains as fixed, pursuant to the Settlement of 1793, at considerably under £4,000,000 per annum, the rental drawn by the landlords (zemindars) and middlemen is estimated at over £14,000,000. No solution of the financial inequalities between the several provinces of India can be attained until some means shall be devised for redressing the undue pressure on the rest of the peninsula caused by the inequitably favoured position of Bengal. One of the best attempts at dealing with this peculiarly difficult question is comprised in Mr. John Hector's "Underlying Principles of Indian Fiscal Administration" (Chapman & Hall; 1880).

must be unwilling to defend such injurious favouritism, when once they observe that it is generally recognised. Nor do we speak on behalf of Bombay alone. Our case is also that of all other provinces of India except the favoured one, which, during a long course of years, has contributed less than its fair share to the general revenues, whilst other provinces have in like proportion been unduly burdened. . . . . .

In the first place we must deduct from the "Net Public Income" of India those portions of that income raised by imposts which either fall equally upon all provinces of the empire, or are paid by none of them. There are three large items in our revenue which are independent of all provincial distinctions; first, salt and customs duties, which are paid by the consumers equally over the country; and, second, the opium revenue, which is paid by the foreign consumer, that is the Chinese. We take for our basis of calculation the actual "net income" of the year ending April, 1866, which, with the requisite deductions specified, was as follows:—

Actual net expenditure in India		£32,668,771
Home charges		4,982,164
Net Imperial cost for all India		£37,650,935
Deduct total net income from Customs	£1,938,004	
" " Salt	4,954,453	
" " Opium	6,623,982	13,516,439
		£24,134,496

This, then, is the annual sum the payment of which ought to be equitably allotted amongst the 144,674,615 of people subject to British rule in India. There are three considerations chiefly to be taken into account in making that allotment amongst the different provinces; 1. Population; 2. Extent of territory; 3. Natural advantages. The first is not only the essential point of comparison in the discussion, but is the one that may most suitably be subjected to numerical and arithmetical test. The total population of British India, as just given, we take from the "Statistical Abstract" which—at first compiled under the direction of Colonel Sykes when Chairman of the East India Company—was re-issued a few months ago. It professes to be corrected up to 1865, and though the population returns are probably inexact, we use the items interchangeably, so that the relative results will be tolerably correct. . . . Has not the Bombay Chamber of Commerce a good right to call upon the Calcutta Chamber to apply on behalf of this Presidency that cardinal principle of financial equity to which its leading members have ostentatiously declared their allegiance? In the event of the Calcutta merchants failing us, we must look to the Finance Minister and his successors as being bound to redress this inequality as occasion arises.

III.—The contrast between the respective contributions of Bengal and Bombay to imperial revenue is not nearly so striking when the mere superficial areas of the two jurisdictions are taken as a basis of comparison. The "Statistical Abstract" before us gives the total extent of British India as 955,238 square miles, that of Bengal and its divisions at 246,785, being a little over one-fourth of the whole; and Bombay, with Sind, as 142,042 square miles, being rather more than one-seventh of the vast territory under the Supreme Government.* If, then, we institute the comparison on this superficial ground—that of total area, without discriminating as to respective degrees of fertility, a comparison the most favourable to Bengal—the result will be as follows:—

Total net imperial charges to be apportioned	£24,134,496
Proportion due from Bombay and Sind as per area of Territory ...	£3,449,070
Actual net contribution from revenue of 1865-6	4,407,500
Contributed by Bombay in excess	£958,430
Proportion due from Bengal as per area of Territory	£6,033,624
Actual net contribution from revenue of 1865-6	5,013,011
Deficiency in the contribution of Bengal	£1,020,613

* See foot-note on page 327.

Were it possible to express in figures the enormous advantage in point of fertility possessed by Bengal, the above six millions, due from that province as the proportion of its area, would be at least trebled. We would advise the politicians or spirited public servants of Madras and the Central Provinces to look into this matter. We would add the Punjab also; but we observe that that province is not charged in the finance accounts with its share of imperial military outlay; and seeing that its administrators are necessarily much under the thumb of Bengal in all things political, they will not be likely to exert themselves towards a readjustment of provincial fiscal burdens.

It is well understood how Bengal has secured the favoured fiscal position she enjoys. It is mainly due to the disastrous, but we would hope not irremediable blunder that was perpetrated in the arrangement known as the Cornwallis Settlement, when, instead of the State retaining a *proportion* of its revenue from the land—as it is now proposed to do in the case of the Oudh talookdars—all was surrendered except a certain specified sum. In this way was sacrificed throughout the greater part of Bengal the ancient claim of the State to participate in the advancing value of the land, while in other provinces that claim has in one shape or other been very properly maintained. Thus other provinces of India have had, and still have, to make up for that blind surrender of a large portion of the patrimony of the State which was then made to a comparatively small number of persons in Bengal. To speak of that province yielding any "local surplus" for the benefit of the Imperial exchequer is manifestly absurd on the face of it; and that it is palpably untrue, we have proved by analysis of the Finance Accounts.—*August*, 1866.

INCOME-TAX AND ITS ALTERNATIVES.

MANY of the loudest opponents of the license-tax of last year did not hesitate to say that they would have preferred an income-tax, though when the Calcutta Chamber of Commerce came to close quarters with the Viceroy their zeal for direct taxation evaporated, and their fiscal ingenuity displayed itself in suggestions for an increased salt duty and a tax on tobacco. So much was, however, urged in the press, and elsewhere, in favour of an income-tax, that no one can be surprised should the country be taken at its word, and that impost be again introduced to our notice. We have reason to believe that some step of this kind is contemplated. What modifications may be made as to scale of charge and mode of assessment should an income-tax be re-introduced, cannot yet be determined upon; but if any of the ingenious writers who six months ago vehemently declaimed against the license-tax in any shape can show how every income shall yield its proper quota without treading on any one's favourite corn—how every man with more than Rs. 500 per month is to be induced to become confidential with the State, and offer to the collector the precise fraction that the law requires,—now is the time for such skilful financiers to speak. If the indications on which we rely are trustworthy, the intimation which we now hand round for the benefit of all whom it may concern will at least prevent the coming unawares of the unwelcome guest. The license-tax was an attempt to take from each class according to its ability to aid the State—a very ineffective and inadequate attempt, we admit. This attempt, though clumsy, was essentially equitable and abstractly scientific, but it was met with a cry like the exclamation of Macbeth—"Take any shape but that, and my firm nerves shall never tremble;" and now, whatever becomes of the license-tax, those who met it in that spirit will probably, under the more familiar name of an income-tax, have an opportunity to criticise another effort to lay under contribution the "personal estate" of the middle and upper classes of Indian society, native as well as European. . . . . .

In India—where the pressing claims for long-delayed public works are never overtaken, and where, as at the present time, many of the subordinate branches of Government servants are inadequately paid—any improvement in one branch of the revenue, if not obliterated by deficiency in another, is sure to be absorbed by the ever-creeping tide of expenditure. Any stern economist like Joseph Hume might, perhaps, point to the Military charges which form one-third of the whole outlay of our Indian Empire, and ask if there be not scope to retrench to the extent of a couple of millions or so. And that sum, we must remember, is the utmost that is likely to be produced by any scheme of direct taxation. . . . . .

The arguments that may be advanced in favour of, and the objections against direct taxation in India were almost exhausted during the course of the searching controversy between the Supreme Government on one side and the Governments of Bombay and Madras on the other, on the introduction of the late Mr. Wilson's famous tax on incomes. In the circumstances of that period, and with the alarming deficit of five or six millions to face, there can be no doubt that the Finance Minister of the day was right, and that his skilful expositor, Sir Bartle Frere, had by far the best of the argument, especially in the masterly paper dated May, 1860, which, though in reply to Lord Elphinstone, was only in time for the perusal of his successor, Sir George Clerk. And yet after the exigencies of that crisis have passed away, every one must admit that his Lordship's views were substantially sound, when, after alluding to his protracted experience in Indian affairs, and his opportunities of reviewing the various fiscal and economic opinions of those intimately acquainted with this country, he added :—

> Upon various subjects of public interest I have, of course, found a considerable diversity of opinion; but if there was any one point upon which, up to the present time, I believed that almost complete unanimity prevailed, it was that we ought sedulously to avoid fiscal innovations, and to rely for the improvement of our finances *upon a judicious economy*, upon the *gradual development of the resources of the country*, and upon the consequent greater productiveness of the existing sources of revenue. I still hold to this opinion, seeing that in the last quarter of a century the revenue has *nearly doubled itself*, and that its increase within the last three or four years is considerably greater than at any former period.

One of the strongest arguments then put forward in favour of direct taxation was based upon the asserted inflexibility of the land revenue; but it ought now to be seen that if it be inflexible, that is due to the injudicious generosity or timidity of our revenue authorities—always excepting Bengal, where the prodigal sacrifice of Imperial resources, which calls loudly for redress, is decreed by statute. More sober views than those Mr. Wilson cherished as to the probable results of any schemes of direct taxation are now entertained, and Mr. Laing was not much under the mark when in 1862 he said, "If driven to resort to increased taxation, it would be easy, with the experience of the income-tax, to frame a measure, partly poll-tax and partly license-tax, to produce £1,500,000 to £2,000,000." But what is this compared with all our needs? We have at various times expressed the opinion that a succession duty—founded upon, but expanded beyond the indigenous usage of the *nuzzerana*—being the most equitable of all taxes, might be made to yield a considerable and steadily increasing revenue to the Imperial exchequer. Though not quite prepared to forego this opinion, we observe that those most thoroughly conversant with the actual circumstances of Hindu and Mohammedan society, hold out no hope that such an impost would be productive enough to justify the experiment of working it even for a limited period. —*October* 28, 1867.

THE FALLACY OF CHRONIC DEFICIT; PUBLIC WORKS ABSORBING CURRENT REVENUES; AND TAXES ON JUSTICE.

HAVING gone through the somewhat thankless task of showing that Mr. Massey's financial statement needed a few more figures and a little more detailed explanation to render it fully intelligible to the general public, we now have the ground clear to refer to various points of general policy pronounced upon by the honourable gentleman. First, we may congratulate him on having nearly worked himself clear from the inveterate misconception that besets English politicians and too many of the non-official public here, and which is expressed in the phrase—"the Indian finances are in a chronic state of deficit." Seldom has there been a greater mistake concerning the public balance-sheet of any country; and very unjustly has this mis-statement operated against India in the minds of English politicians and capitalists. To Mr. Massey in great measure must belong the credit of having effected the first practical step towards the vindication of India's national credit, in his having secured the distinct separation of extensive and "extraordinary" public works from the charges for smaller ones and ordinary repairs. But this division is as yet very incomplete, and it by no means serves to place the Indian balance-sheet in the same position as that of the British Treasury, with which it is habitually but very unfairly compared. At home the construction of public works and communications are charges that are defrayed by municipal taxation or joint stock subscription; and so exceptional is any capital outlay on public works by the State,

that the annual charges on account of Lord Palmerston's fortifications—all the funds for building which were borrowed—are made to stand out in an item by itself as a sort of excrescence on the national balance-sheet. There are in the English accounts under the head of "Miscellaneous Civil Services" certain charges for the repair and improvement of palaces and public offices, and a few grants towards metropolitan improvements, and towards some dock and harbour improvements chiefly in Ireland. All these in the accounts for 1867 amount to a little under £1,000,000. There is also a grant of £660,000 for the new Courts of Justice, but with nearly all these grants a considerable balance stands over to the next year. The new Courts of Justice form a very exceptional charge, so that with the £420,000 annually granted for the fortifications (which will probably be stopped long before they are completed), we shall be over the mark if we put down as £1,500,000 per annum the charge for public works which the English Finance Minister has to provide for before he speaks of a surplus or deficit.* . . . . . .

In order that our accounts may tally with the composition of the English State accounts . . . we get the following result as the true income and revenue account for political and administrative purposes in India in 1868-9 :—

Total Income	£48,586,900
Total current Expenditure, including £1,096,560 for Public Buildings, &c. ...	42,613,350
Actual Surplus of the Indian Revenue per estimate in 1868-9	£5,973,650

Of course, the estimates show the gross amounts, but as the cost and results of collection appear on each side of the account, the comparison with the nett accounts would show a similarly convincing proof that the popular impressions which obtain at home, and here also in some quarters, as to the "chronic deficits" of the India revenue are an utter delusion. The sum which we have allowed for public buildings may be a little less or more in proportion than the amount for similar purposes usually borne by the Budget at home; but as a statement of the relative financial position of the two countries, we contend that Indian statesmen have a right to claim every credit that is fairly due in presenting a surplus of £6,000,000 of revenue over current expenditure. . . . . .

Hence there is scope for considerable increase in the loan transactions of the Indian Government—provided only that the money is utilized for purposes that are essentially reproductive or permanently useful, and that in each case some settled provision is made for repayment. The Viceroy may do well to deprecate an indiscriminate increase of the Indian debt, which no one desires; but he does ill if he enunciates sage counsels of that kind by way of apology for hesitation and delay in the prosecution of long-needed public works. His Excellency, in uttering those safe platitudes, was only following the lead of Mr. Massey, "who deprecated the intrusion into our financial system of the dangerous principle of dealing with any part of our annual charge by loan"—as though this were not done at home in every instance (*e.g.*, the fortifications)—whenever the transactions that enter into account are similar to the Public Works charges of India. It was permissible for an English financier, and especially for a retiring one, to enunciate that popular sophism; but an experienced Indian statesman like the Viceroy should have taken a larger view, and disdained to repeat what, at the bottom, is but an indolent excuse for not resolutely grappling with the question of irrigation and other urgently needed public works.*

We are somewhat unwilling to glance at the details of the financial statement, as some of the arguments by which Mr. Massey enforced his "determination to part with no existing source of revenue" appeared to us singularly unhappy. Take, for instance, the honourable gentleman's notable "facts," that, whereas in the year before he raised the export duty on grain, the value exported amounted to thirty-four lakhs, but since the imposition of one anna more the export has risen to sixty-four lakhs. Was there no one to remind Mr. Massey of the fact that the former year was part of a period of famine? With regard to the increased scale of stamp duties, . . . other remarks of Mr. Massey's also indicated his willingness to revise the new tax upon justice; but he must have been speaking in a cynical vein when he alleged that the new scale of stamp duties was "based on sound principles," though all great jurists, except Mr. Maine, have concurred in thinking that as a question of principle, such taxes are always reprehensible. It is with regret that

* For a fuller exposition of this subject of loans for permanent public works, see pp. 332-4.

we cannot adequately express, that we observe Mr. Maine coming forward with ingenious —but, with deference we add, superficial—excuses in favour of this £500,000 of revenue gained by the new law taxes. Of course, the dignified legal member is not moved by any paltry financial considerations in defending this ill-judged impost. His pleas are based upon the impatient desire to gain some royal road towards lessening litigation; and he adduces as one excuse for fining litigants beforehand, that more than half the criminal plaints in Bengal were withdrawn before trial. To find such an able man reduced to the necessity of bringing forward a plea of this kind is equivalent to confessing that the measure is one defensible only under the extremest pressure of fiscal exigencies. It was satisfactory to observe that the representative of Bombay again opposed the revised scale, but it is to be desired that the Local Government here had done a little more to strengthen Mr. Shaw Stewart's hands.—*March* 27, 1868.

CONSTRUCTING PUBLIC WORKS OUT OF CURRENT REVENUES: A BLUNDERING POLICY.

IN a recent number the *Money Market Review* gave a list (not complete) of the great variety of Indian loans and stocks, of which portions of all—under the facilities for endorsement and by use as forms of remittance—get into service as investments at home. The writer pointed out how confusing and, therefore, depreciatory as regards the divers securities themselves, is the effect of the endless variety of dates and rates of interest borne by the different class of rupee paper and debentures. He concluded thus:—"Consolidation and unification are unquestionably the improved conditions into which they must ultimately be brought; and, under such measures of improvement, if Three per Cent. Consols can in this country maintain a price ranging from 93 to 95, a consolidated Indian Four per Cent. Stock should verge closely upon par, as was the case with the present Rupee Four per Cent. Loans under the *regimé* of the old East India Company."

But this City authority appears, in passing to the latter part of this sentence, to confound form with substance—a mistake the less excusable because he had just explained that the much lower range of prices borne in the London market by the rupee paper represents the charge for remittance, which is not required in the case of guaranteed railway shares and the old "India Stock." The oversight of the writer is still more to be remarked upon when, taking the price of Consols as a standard, he assumes that Indian four per cent. loans might ordinarily range at par at home. There is no doubt whatever that such *might* be the case, and that all difference—enormous in the aggregate amount—between the 90 to 92 at which the last loan was raised here, and the 100 at which the India four per cent. "Stock" is quoted at home, is so much flung away in deference to the clumsy and short-sighted maxims which obtain both with the Supreme and Home Governments in regard to Indian finance. . . . . .

While India is thirsting for British capital—which to her means irrigation works, railways, canals, and harbours—the London Stock Exchange, as we have seen, is supplying every foreign customer that can make out a case for a loan. It is true that, because of the greater uncertainty and risk, the terms on which English investors go into Russian, Brazilian, or Spanish loans are very different from those which they would hope to make with the Secretary of State for an Indian guaranteed loan. And probably there may be something in the extra commissions obtained by London bankers and financiers who introduce the foreign customers to the English market, which to some extent may explain the facility with which bold enterprising foreign speculators replenish their coffers from the savings of British industry and commerce. . . . . .

Nearly the whole of the "enormous progress" which superficial observers place to the credit of Russia is due to the acquisition by her of British capital, and that at a rate, say, three times more onerous than it could be obtained by India if permitted by her short-sighted rulers. The total debt of Russia, including her inconvertible paper currency, is £280,000,000; and of this nearly a fifth has been contracted since 1863. That does not include the recent loan of £11,000,000 received coldly three months since on the London Exchange, but which was eventually taken up, if not all of it in England, at any rate in Western Europe, by the agency of one of the leading English firms. Of the £60,000,000 thus drained from Western Europe within the last five years a large proportion

must have gone from England, for "all the Russian railway companies quoted in the *Times*, with a single exception, are guaranteed by the Government and built under its patronage, consequently with the single view of serving its own purposes." The deficits of this Government, which borrows British capital on such a royal scale, have during the last five or six years amounted to an aggregate of £14,000,000. This is shown by a writer in the *Fortnightly* on a comparison of the official statements of the "general receipts and expenses of the Empire." It might not be difficult to show that, were the "general expenses of the Indian Empire" confined to the same items as in the Russian Budget, the Indian revenue has during the same period shown an aggregate surplus amounting to as much as the Russian deficits. And yet the solvent and prospering Indian Government, so far from having its loans for general purposes (like the recent one) guaranteed by Imperial authority, is not even allowed to try its own credit in borrowing for barracks and Public Works purposes on the London Stock Exchange, whence the retrograde exchequer of the Czar is freely replenished according to the law of supply and demand. Verily, we are a great people! No doubt shrewd Russian statesmen think so, when they see the Indian Government compelled to borrow in the dear money market of India, thereby leaving more English capital for them to play upon. This will deepen the impression of our sagacity which they have long since received, from observing how some of our Indian papers, aided by occasional spurts of traditional jealousy at home, have given to their intermittent and exhausting operations in Central Asia an importance even beyond the illusions which have been dexterously developed in their own official reports from Turkestan.*—*July* 17, 1869.

How it Looks from the European Standpoint.

II.—What is "ordinary expenditure" as the term is understood "in the money markets of the world"? Whilst we are publishing to the four winds the woful state of our impecuniosity, and proclaiming that our financiers are not to be trusted, what is the actual state of things? How do the Indian finances compare with those of countries which are in favour in the money markets of the world—with the balance-sheets of England or the United States, or with those of France or Russia? We observe that the actual net Indian revenue of 1868-9 was £48,500,000, deducting the receipts from public works. This is an increase of income of about £4,000,000 in six years. And what was the actual expenditure—if we deduct public works, as must be done if we are to do justice to India in "the money markets of the world"? We find that the ordinary expenditure of the Indian Government—for all the expenses of regular administration, including, perhaps, the most costly military establishment in the world—were barely £43,250,000, showing a "surplus," in the European sense of the word, of £5,000,000 sterling even in this extravagant year of the Budget breakdown. We are quite aware that this Public Works expenditure has become part of the system of Indian government; that, except in a revolutionary time like the Mutiny, it cannot be stopped, and that the works cannot be sold off and turned into money. Neither can the public works in England, the result of the private enterprise or the efforts of municipalities, be turned to account on behalf of Imperial exchequer; but they form part of the tangible resources of the nation, and as such go to sustain its public credit. It is only reasonable that these resources should be taken some account of in Indian finance, and that when reference is made to "the money markets of the world," this enormous current outlay in improving our estate should be remembered by

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* In linking together these two extracts, one object is to induce study of a true and a false loan policy for India, and to bring out the essential difference between debt incurred for military and other unproductive purposes, and borrowing for expenditure on productive public works, instead of vainly attempting to obtain funds for this latter purpose by dear loans on India, or by extra taxation in that impecunious country. Since the above was written (in 1868-9) the amount of debt under both heads has largely increased. At that period the amount of general debt was rather over £96,000,000 and the railway capital £84,000,000. The general debt is now nearly £170,000,000, and the railway account over £150,000,000. This enormous increase in debt incurred for military and other unproductive expenditure is mainly due to the aggressive policy in Afghanistan wantonly entered upon in 1876-8, and since followed up by the invasion of Upper Burmah, and destruction of the native dynasty. This policy necessarily cripples the application of that advocated in the above extracts — namely, the borrowing of cheap funds in Europe for outlay on productive public works in India. It may not be too late yet to reverse the course—to peremptorily check the growth of profligate military expenditure and wasteful debt, and to encourage the utilisation of cheap borrowed capital for productive works.

the guardians of our credit. In France and Russia many public works are undertaken by the State; but their financiers take good care to let the world know it. In paragraph 69 of the despatch, the Indian Government, with a laudable desire to make the worst of things, points out to His Grace that, "during the last three years, there has been a constant deficit, the average amount of which has exceeded £1,900,000." Now, it was proper enough to speak to the Indian Secretary in these formal and conventional terms, for he would himself supply the facts on the other side, remembering which, the dread word "deficit" would convey to his mind a very different impression from that which it will produce on Mr. Gladstone, for instance, with his wholly English experience. There is, we admit, a time and place for everything even in a despatch. It was not needful that our "constant" sinking of revenue on capital account should be mentioned in the same breath with our "constant deficit," on which the English press will have to harp through all the gloomy month of November; but in the two closing paragraphs of the despatch a place should have been found in which to mention that fact *per contra*. In the scant space in which the Viceroy is allowed to express the few hopeful thoughts that are left to him after the melancholy disclosures he has had to make, reference is permitted to "the enriching and civilizing effects of the great railway and irrigation works." This may fairly be understood to include roads, harbours, and civil buildings, which have also "enriched and civilized" the land, to say nothing of the military works which should by this time have guaranteed the security of our State and nation. But this scant recognition of the great fact which differentiates the financial statements of India from those of England will be lost on the Press at home. It would have been easy to remark parenthetically, that the "constant deficit" so carefully specified in figures, is far outweighed by one item of extraneous and really remunerative expenditure not appearing in the English budgets. The period since 1862 has been called "the era of deficits;" but in these eight years the expenditure on public works, only a small portion of which has been raised by loan, has amounted to £43,226,574, or an average of £5,500,000 per annum. The country that does this may have an inefficient finance department, indolent Finance Ministers, and blundering budget-makers; but its real pecuniary position, as compared with almost any other nation, is hale and vigorous. India has no need to hang her head like a bulrush before "the money markets of the world." In the "Public Works" circular more justice is done to the actual state of Indian affairs than in the despatch. In paragraph 20, after reviewing the vast efforts that are made year after year for the national improvement of the country, it is emphatically remarked, "The Government of India believe it may be affirmed that such a position has scarcely ever before been assumed by any other country in the world."

Having gone so far in enunciating sound and business-like views on this, the central question of financial administration, it is to be regretted that the Supreme Government had not the courage to go a step further. They should have struck against the reactionary fiat by which Sir Stafford Northcote compelled them to build the costly permanent barracks out of current revenue—an interference with our finances to which the present difficulty is largely attributable. Instead of this, in their prospective review of expenditure, Government deliberately re-appropriate £1,000,000 of current revenue to barrack building or "non-productive works." Whilst we would not have the sounder policy carried out by means of Budget blunders, we cannot but regret to observe the deliberate adoption of, or, rather, the passive submission to, so lavish and improvident an expenditure of the people's resources.*—*October* 14, 1869.

THE ABYSSINIAN EXPEDITION EXPENDITURE.

THE step gained and the precedent established, when the Home Government undertook to defray the cost of the Abyssinian Expedition, mark an important stage in our financial history. Finance is the pith of Indian politics, and great discredit will attach to any Indian statesmen who should consent to relax one iota of the principle now established in this new historical instance. No doubt there are English politicians who fear that India is quite capable of stealing a march on the Home Treasury. Of course, this is entirely an imaginary fear; but we cannot wonder that the Cabinet which sought to place "the standard of St. George on the mountains of Rasselas" took measures beforehand to keep an eye on the outlay required in Bombay. It may be remembered that in November 1867 we published an extract from a Treasury minute in which were defined the duties

of the gentleman sent out by the British Government to co-operate with the officers of the Bombay Government in making up the necessary accounts of the Abyssinian Expedition. This trusty servant of the Crown (Mr. C. Turner) had previously been on duty in India, having in 1863 accompanied Messrs. Foster and Whiffen in their mission to revise and recast the system of account then obtaining in this country. He was thus well adapted to work with the Account and Audit Offices in India in the very laborious task of selecting and classifying the items of Abyssinian outlay debitable to India, and those chargeable to Home. In November 1867, when the Pioneer Force had only just sent news of their having landed, no one had formed an adequate conception of the ultimate cost of liberating the captives; though when Mr. Disraeli offered to the House his confident guess of £3,000,000, people in Bombay received the estimate with a smile. Before Sir Robert Napier left Bombay at the close of the year, the necessity of very heavy outlay had become apparent. Within three months from the Pioneer Force landing at Zoula, an immense fleet of transports, certainly the largest number ever taken up for any modern expedition, had been chartered at Bombay and Calcutta, exclusive of the large steamers sent out from England. At that time a rough estimate showed that the cost of sea transport alone, together with outlay for coal, would not amount to less than £550,000 per month. This statement having appeared in our columns, was transmitted home in the usual course by Reuter's agency, and caused considerable dismay amongst the supporters of the Ministry. While assiduously reaping all the popularity yielded by the expedition, they were anything but desirous of incurring the odium which pursues any party responsible for heavy taxation. . . . . .

By way of dissipating some vague ideas on the whole subject of these Abyssinian charges, we present an approximate abstract of the whole outlay originating on this side of Suez, and which has had to be brought to account, checked, classified, and finally made up at Bombay. These figures are not numerically exact, but the totals will, we believe, prove to be tolerably near the figures that may adorn the final pages of the Blue-book, which—if the Queen's Printers use great exertions—may be published by the close of the session :—

Abstract.

1.	Hire and Fittings of Transports	£3,250,000*
2.	Coal	350,000
3.	Purchase of Animals	500,000
4.	Supplies of Provisions and Commissariat Stores	500,000
5.	Forage for Animals	500,000
6.	Regimental Charges, including donation batta	250,000
7.	Commissariat and Transport Train Establishments	250,000
8.	Carriage of Stores by Shohos, &c., in Abyssinia	200,000
9.	Pressing Hay, Shipping and Landing Returned Stores...	170,000
10.	Ordnance Stores	130,000
11.	Warm Clothing for Troops in Abyssinia	200,000
12.	Other Services...	320,000
	Total of Charges for which detailed accounts have been rendered ...	£6,620,000
	Charges yet to come in, about	200,000
	Grand total paid east of Suez	£6,820,000

As to the numerical extent and actual bulk of these multitudinous records and vouchers, the most avaricious of political "Gradgrinds" would be satisfied, and that exacting economist, Mr. White, of Brighton, will be abashed into submission when he is informed of the cubic contents of the Abyssinian accounts. Only a few mails back, a parcel of them sent by the Peninsular and Oriental weighed nearly a hundredweight and a half. Sir Richard Temple in his Budget speech referred to the prompt collection and early transmission of those accounts as a striking proof of increased efficiency under the new system in this country. The addition to the current office work in this Presidency—of which, on his recent visit here, Sir Richard became fully aware—has been so enormous that some public recognition of it was only due from him; but it must be remembered that the bulk of the work and responsibility has fallen on the Home Treasury officer, Mr. Turner, without whose continuous exertions and experienced aid no settlement would have been arrived at for months to come.

* About one-fourth of this item was paid in Calcutta; and considerably over £1,000,000 of the tota expenditure was incurred by and paid in Calcutta, the Punjab, and Madras Presidencies.

It is quite likely that the Home Government, by having an agent on the spot, has been able to throw back on the Indian revenues several odd lakhs of charges which otherwise would have passed unnoticed in the big bill against the British Treasury; but we cannot complain of this. Sir Henry Rawlinson's reprehensible attempt to throw on India half the charge for this British campaign was so signally and distinctly frustrated in the House of Commons itself, that we may rest assured the days of such political looting are gone for ever. Being assured of this, the Indian authorities could well afford to give the representative of the English Treasury every needful aid in separating British from Indian charges, and in apportioning the items respectively due to each. That this often intricate and sometimes delicate task has been got through with so little friction, must be due in great measure to the personal suitability and tact of the officer selected for this mission by the late Government in September 1867. . . . In following the instructions given him by that Government, Mr. Turner has guarded the interests of the Exchequer as vigilantly as even the present Premier could desire, with all his chronic and delusive suspicion of India's proneness to indent on the British taxpayer. And the service done to India in thus obtaining a prompt and final arrangement of all possible disputed claims is no slight one, as our Finance Minister has admitted; while this result will be appreciated by no one more than by Sir Seymour Fitzgerald, on whom has fallen much responsibility, and who has naturally taken great interest in the adjustment and completion of the Abyssinian accounts.—*April*, 1869.

THE HOME CHARGES: SUPERFICIAL AND SUBSTANTIAL.

MR. E. HAMILTON, new Member of Parliament, wishing to try his voice in the House, and in the lack of more useful subject, asks Mr. Grant Duff "whether he was aware that considerable dissatisfaction existed in India at the want of detail in the account of home charges." The Under-Secretary was so obliging as to admit that "he believed some dissatisfaction did exist in India" on the subject, but added that such dissatisfaction "was founded on a misconception as to the amount of information actually furnished respecting the home charges." He intimated that the Indian Government had made no complaint, thereby going far to prove it a very unsubstantial one. The fact is, as in so many instances of vague complaint re-echoed at home respecting Indian affairs, the term "in India" in this case really stood for one or two Calcutta writers, more especially the Calcutta correspondent of the *Times*. . . . Supposing there had been any deficiency as to the details of this £6,000,000 or £7,000,000 of Indian revenue spent in England, that is a very trivial matter compared with questions as to whether the whole of that drain on the annual savings of India is a just and inevitable charge, or whether the policy of attracting European capital to this country, to compensate for what is an inevitable effect of foreign rule, might not be far more freely developed than has yet been attempted. . . . . .

One of our contemporaries which should have known better, the *Pioneer*, when chiming in with this clamour for details "founded on a misconception," made some smart remark to the effect that on the contents of the home accounts might hang the question for us of income-tax or exemption. This is very true; but any time since "21 and 22 of Victoria" there has been ample material presented in these accounts on which the new found zeal of our eastern contemporaries might have been profitably expended. Instead of this anxiety for cheeseparing criticism, instead of wishing to know whether a few thousand pounds worth of stores have been sent one year in excess of another, and whether too much is spent on cadets at Chatham or assistant surgeons at Netley, let them go to the root of the matter. It has always been open to them to discuss—whether it is just that this country, any more than the colonies in the case of the Colonial Office, should pay the whole salary and establishment of the Cabinet Minister who is designated Secretary of State for India; whether it is fair that these revenues should defray the total cost of one of the finest public buildings in London, called the India Office; whether, of the £3,000,000 or £4,000,000 annually expended in England for Indian military charges, it is just and decent that every penny, including the cost of the depôts which form part of the English garrison, should be drawn from the "Bengal ryot" or income-taxed journalists in this country. All these large questions, involving debateable charges sufficient to absorb two or three of our income-taxes, were awaiting the criticism of the able editors who, while labouring under "a misconception," were spending their strength on the merest outworks of the citadel of home

charges. Had they discussed the undue charges which India has to sustain for the Postal service, the cost of the Persian Legation, and that of Her Majesty's establishments in China —items that regularly appear in every yearly home account—there would have been something substantial and useful as an object for their efforts; but for the Calcutta correspondent of the *Times* to affect a national Indian agitation because, as he mistakenly supposed, the details of those charges are not available—

"Resembles ocean into tempest toss'd
To waft a feather or to drown a fly."

Probably our contemporaries who made such a fuss about the shadow of this important financial question, fought shy of its substance lest they should be accused of "meddling with politics." That reproach has generally been flung at those who may have attempted to get justice done by a powerful class or country towards its subordinates or dependants—in this case, from England towards India. It is a term of mild social opprobrium which has deterred many weak good people from doing their duty in the world. We will not now press our two or three contemporaries, forming the "India" represented by Mr. Hamilton, to undertake the distasteful task of going to the bottom of the subject over the surface of which they skimmed; but if ever seriously inclined to examine into the economic consequences flowing from the Government of India by a European Power, or desirous of seeing the home charges adjusted on the basis of equity, we offer them, as a clue for their disinterested research, a single sentence by an old Bombay officer, now Sir George Wingate: "In defining the future financial relations of India and Great Britain, it would seem to be a most just and equitable arrangement to require each country to furnish that portion of the total cost of Government which is expended within its own limits and goes to the support of its own industry." . . . . . .

The only limits to the profitable introduction of European capital into this country through the agency of Government are the quantity of skill and labour available. The former can, like the capital, be gradually introduced to any extent; and labour, though limited, is yet abundant, and might be utilized and economised by organisation. Yet nothing commensurate with the urgent need of India is being done to supply these great wants. It is, indeed, rumoured that Earl Mayo is the harbinger of a mighty Public Works programme, of which the first item is the expenditure between now and 1990 of £100,000,000 on railways; but nothing is known for certain about this. No measures are taken towards obtaining the vast funds that India could employ with multiform advantage to England, and with incalculable blessing to herself. Meantime, Russia, commonly regarded as our rival, and struggling or disreputable Governments all over the world, are drawing off all the spare cash they can glean from the English market. Amongst "The Three Clear Things about the Money Market," on May 1st, the *Economist* was telling its leaders that "foreign nations are evidently coming for money while they can get it. They see that the end of the full time is come, and they are not sure but that a scarce time may soon supervene." But India has not gone "for money whilst she could get it" on the best terms; she has not been allowed. Her Government has looked on supinely, whilst the Finance Minister takes up a large loan in India where capital is scarce, instead of at home, where it is, or rather has been, plentiful. If our eastern contemporaries would aid us in superseding this anomalous and improvident financial policy, they might safely leave trifling details of account to the accountants.—*June* 4, 1869.

SIR RICHARD TEMPLE'S DEFICIT: THOSE COSTLY BARRACKS.

THE "Secret Society" of Simla—we beg pardon, the Supreme Government of India—still contents itself in the matter of the new deficit with circulating general resolutions and snubbing local Governments. If the subordinate authorities had been responsible for the muddling under which the Finance department has endeavoured to meet heavy permanent charges out of cash from the till, and has appropriated loans for hand-to-mouth expenditure —and if to the Governors of Presidencies and provinces had pertained the sanction and control of the large items of Imperial outlay, such as military expenditure, irrigation, barracks, and indents on Home,—there would be some consistency in the Supreme Government's reticence and peremptory orders to reduce every kind of outlay without distinction. If the subordinate authorities had made the holes, they would have some chance to know where to begin in filling them up. . . . . .

It is a primary rule in economising, or, to speak more precisely, in carrying out an enforced retrenchment, that to produce an appreciable effect, the large items must be attacked first. We think it is Emerson in his "Conduct of Life"—when discoursing on reducing domestic or personal expenditure within the limit inexorably imposed by income—who remarks on the futility of small petty economies in the necessaries of life. He advises to look out for some larger outlay, which, though the well-to-do householder may have cause to think it needful, can by dint of resolute self-denial be dispensed with. "Let him," he says, "put down the carriage," or "take a less expensive house," rather than ruin the peace of his family, and cripple his own energies, by a perpetual round of small, vexatious savings. The precepts of "Poor Richard's Almanac" warn us against unobserved rills of wanton waste; and we would have the Supreme Government stoop to revise its printing, its stationery, its telegrams, and its chuprassies; but what are these in face of a deficit of 8,000,000? Or, to come within practical discussion, what will these painful but proper clippings and parings do to stem a growing deficit during the current year already declared to be a certain £2,000,000? On cause being fairly shown, we quite believe the subordinate administrations will do their duty to aid the Government of India in meeting the exigency that has arisen; but the results of all their straining will be trivial compared with what their preceptors might effect. In short, the Supreme Government must "put down its carriage." What this is must be plain enough: it is that luxury spoken of by Mr. Grant Duff as "the last expression of sanitary science in lime and stone"—those "noble structures," as said Sir Richard Temple, "providing for the married and unmarried soldiers quarters equal to the best in any country." It is very desirable that India should keep such a "carriage," but we need not just now meddle with the considerations which underlie the scheme of the barracks. . . . . .

It is not difficult to trace how this barrack charge has come to tyrannise over the Budget; though as yet there is no explanation as to how this, or any other properly budgeted charge, could encroach upon the cash balances or unappropriated loan funds. . . . . .

We will now look at Sir R. Temple's treatment of this ever growing charge. In his Budget speech occurs the following very clear exposition of the scheme and its position:—

As explained by my predecessor last year, the scheme for new barracks for European troops throughout India was to cost from £10,000,000 to £11,000,000, and the work was to be done in a period of five years. It is hoped that the estimated cost may not be materially exceeded, but to secure this result, the most *unremitting vigilance* will be needed. Be this as it may, however, the period of construction will certainly be prolonged, for the five years have now elapsed, but the work is *not half* done; and out of the £10,000,000 only £5,000,000 have been spent, leaving at least £5,000,000 yet to be laid out. But the designs had to be elaborated by the best military engineers in India, and then sent to the first sanitary authorities in England for approval. Then new sites had to be selected after long inquiry as to the salubrity and the like. Thus, despite every care and anxiety to push on the work, the progress for the first few years was not rapid. More recently, however, the plans having become finally settled, and the establishments fully organized, *great progress* has been made, and during the current year no less than £1,500,000 is being expended on these buildings.

This passage bears witness to Sir Richard's acuteness. He evidently saw that the "full organisation," having been set free to go ahead with "finally settled plans," would make the money fly, and would require to be kept in by the tightest reins of Budget grant and sanction. Had he but possessed a little more of the invaluable quality of "exceptional official persistence," he would have made the discovery—fallen upon by his acting successor, Mr. John Strachey—that Mr. Massey's "pressure of a very formidable character" had already assumed unmanageable strength, and he would have had the satisfaction of being here to meet the gainsayers who, in his absence, visit on him the sins of oversight and omission which belong in equal measure to his predecessors and colleague. The fact is, the late Viceroy and all his associates—besides, of course, the high military and sanitary authorities—took so great pride in this family coach they had set up, the splendid barracks, that they refused to notice its cost in the household accounts. Even now they wink very hard, and are willing to fix the blame on anything else—on Home charges, on relief works, or, better still, on these reprobate subordinate Governments. This reticence cannot last long. . . . . .

There is no need for the present purpose to re-open the questions of which this grand barrack scheme is supposed to be the solution; but we will call one witness in favour of pausing awhile until its sanitary and economical value may be tested. In the debate

following Mr. Grant Duff's speech Sir Charles Wingfield spoke as follows on this topic:—

"With respect to barrack expenditure, he feared that many of the sites which had been declared to have every sanitary qualification would be found to be unhealthy, and consequently be abandoned. He did not believe that in India health was promoted by mere solidity of construction. The great want in that country was of cubical space and a current of air, and mud walls and a thatched roof were cooler than stone or brick buildings. Where the barracks now in course of construction were likely to last some time, and where there were also military stations, the works *might be suspended*, and the Exchequer saved from any further outlay *at present*. There were fifty-one places in India where barracks were either built or building. Some were only seventy miles distant from each other, and it was worthy of consideration whether some concentration were not possible. He should like to see a return of the outlay in building barracks since the Mutiny. They had been a most frightful drain on the resources of India. He believed that the expenditure from this source was not less than £15,000 [millions?] up to the present time."

That is the step obviously required—to stop "any further outlay at present." Let the Supreme Government consent to "put down the carriage," and the subordinate members of the household will cheerfully curtail any superfluities there may be in the routine of petty expenditure."—*Oct.* 6, 1869.

II.—Is there a "blunder in the Budget"? Or has there been an excess in the actual expenditure of 1868-9 over the "regular estimate" as stated by Sir R. Temple in the first week of March last? This last is, we suppose, what has taken place, unless there have been some clerical errors in the figures furnished to the Finance Minister. In the improved condition of the Accounts department it is not likely that any very serious mistake can have occurred; and we are almost shut up to the conclusion that either the income fell off unexpectedly during the last four months of 1868-9, or that the expenditure increased during that time at a rate quite unsuspected whilst Sir Richard was speaking. There is, again, what is but another form of the latter supposition—had the expenditure during the eight months been fairly brought to current account, or considerable outlay, really incurred before last November, had been left to drift over into the four months left for guess-work? This, we suspect, is exactly what has happened; and it is tolerably plain that the deficit, or increase, or mistake, that has occurred in the four months of the last financial year is mainly due to expenditure on barracks. There has been some tardily confessed excess in the Home charges; but, though this will very justly evoke criticism, both as to the principle and extent of that extra Indian outlay, the actual amount under that head will form but a very small proportion of the unseasonable "deficit" which is said to have caused "a very grave financial crisis." Public Works expenditure claims the lion's share of this spoil from our current resources; and, according to our present apprehension, nearly the whole of that share must be attributed to the outlay on the palatial barracks, which, in reversal of Mr. Massey's and the Government of India's wish, was, by Sir Stafford Northcote's decision, put back under the head of Public Works Ordinary. This item figured in the "regular estimate" at nearly £6,000,000. . . . . .

The more serious matter is that another deficit, already announced, is working itself out for the current year over the Budget estimate of 1869-70. The two deficiencies are rolled into one, and we are threatened with reduction or taxation to make up the £4,250,000. The fairness of this is not quite apparent, seeing that it is the financial cooks themselves who now take the country unaware by calling out that they have let the pan boil over. Sir Richard, in his blandest manner last March, showed us for the current year a neat little surplus of £52,680. Nothing better could be desired, and now, before half the year has gone, his subordinate and associates tell us, all that has gone and nearly £2,000,000 besides. To say the least, this is disappointing and perplexing, and, also, a little too bad. There has been a blunder or worse somewhere, and the tax-paying public has a right to know where. We can quite believe that the scarcity in northern India, which has reacted on the import trade of Bombay and, no doubt, of Calcutta also, will have tended to reduce the income from Customs and Excise. The relief operations must also tell on the expenditure side; but the greater portion of the £2,000,000 is probably due to the same causes as the falling off in 1868-9—namely, excess in Home charges and Public Works expenditure. Again, we surmise, this last item of excess is mainly to be referred to outlay on the costly perma-

nent barracks which, with extraordinary perversity, the Government of India is striving to build out of current revenues. It is this which is the real "tyranny of the Public Works Department." This is the iron yoke that galls the bearers of burdens and checks smaller but more productive expenditure. . . . . .

Seeing that the Duke of Argyll has turned a deaf ear to the Government of India's proposals to bonus off the general duty officer, and to check the steady, heavy increase in useless expenditure on the Staff Corps, the Viceroy may hold himself excused from attempting anything in the way of reducing military expenditure; though it is asserted that H.E. Sir W. Mansfield has orders to retrench wherever he can find a leafy bough for the pruning knife.

Proposals of this kind are like beating the bush when the game is in view. This deficit is partly caused, we believe, by lavish expenditure on Indian account at home; but it is in still larger proportion owing to the vigorous prosecution of costly barracks buildings. Let, then, the Supreme Government march straight up to its difficulty. The barracks scheme might be suspended for six months, or a year, without detriment to the complete plan on which the late Viceroy had set his heart. We have melancholy proof in the North-west Provinces and elsewhere that these scientifically constructed habitations are not cholera-proof. Whilst the new barracks are waiting the much desired equilibrium of the finances the death-rate may be kept down by a little extra judiciously laid out current expenditure. As to the extravagance of the Secretary of State and his Council, we should like to hear more particulars; and at any rate, the Viceroy has men about him who would support most determined protests against needless outlay at home. But there is one radical and permanent cure for these complaints against the Home expenditure. Let our contemporaries, who are indignant as to "the form in which the Home accounts are rendered," go a step further. Let them join us in a demand—which we think the Supreme Government ought long since to have made—that one-fourth or one-third of the Indian Home charges shall be borne by the English exchequer. That will settle all complaints about the Home charges; for India would then have a vigilant and interested guardian in every English M.P.—*Dec.* 29, 1869.

DECENTRALISATION OF PROVINCIAL FINANCE.*

FREQUENTLY has it happened, and, with our national unreadiness, must often again occur, that important political and administrative proposals, neglected in quiet times when deliberate examination could have been bestowed upon them, have to be considered in a hurry, and carried into effect clumsily or by piecemeal. So we believe will it prove with the proposals made in the latter half of 1867 towards relieving the Supreme Government of its impracticable function of apportioning the details of local expenditure, and for emancipating our provincial administrations from irritating and futile control. Those proposals, though approved by a majority of the Executive Council, were opposed by Sir Henry Durand, and on more substantial grounds by Sir John Lawrence. The Viceroy's vehement opposition could not, we think, have alone sufficed to arrest the progress of the promising discussion. The argument for change made out by the majority of the Government of India—supported as it was by the skilful dialectics of Sir William Mansfield and the heavier metal of Mr. Maine's comprehensive reasoning—could not have been shelved had Mr. Massey been as industrious and persevering as he is ingenious and talented, and if the Secretary of State had been vigorous enough to overcome the conservatism of the conscript fathers at his Council Board, who still suppose that the entrance to India is by way of the Hooghly. Outward circumstances had also much to do with the shelving the question and the postponement of the project. The very men who, amongst home politicians, would have best appreciated a working scheme promising to open a broad highway through the tangled thicket of Indian administration, were absorbed in the struggles of English

* It is instructive to note the opposition to, and the delays that occurred before this valuable practical reform was initiated. At the close of 1870 it was at last adopted under Lord Mayo's Government, but in hesitating and timid fashion. Its scope was enlarged under Lord Northbrook, and the policy proved very successful; but, under the pressure of Afghan wars and Burmah annexation, the savings and improved revenues husbanded by the provincial authorities were ruthlessly appropriated in aid of the profligate expenditure of the Central—that is, the Supreme Government.

politics, and no help could then be obtained for Indian reforms. And about the time when in the slow evolution of Indian official discussion, the whole subject might have emerged into the daylight of open controversy, the Abyssinian expedition claimed all spare official energy in India as well as in England. . . . . .

Whilst there are certain notable reasons why a few officials, in whom Bengal provincialism is at once the ruling passion and the congenial chain, are likely to oppose the redistribution of revenues and financial responsibility, there can be no good ground for assuming that our Calcutta contemporaries will be insensible to the ultimate imperial advantages of local management of local charges. But the first step that is needed to insure a profitable public discussion is the publication of the minutes of 1867.

It may not be inappropriate, as we have used the Budget disclosures partly as a text, just to make a passing remark on the practical question, what is to be done? In our remarks two days ago we pointed to the costly new barracks as the direction in which the most can be done to "extinguish the deficit." There is nothing in the official statement which militates against that suggestion, but much that may be claimed in support of it. We go further, and express the opinion that if the Supreme Government really desire to "insure public confidence," it cannot do so without putting a stop for several months to the extravagant and uncontrollable expenditure on the huge barracks, while the engineer officers and employés whose services could not be dispensed with, though liberated from their non-productive labours, might, to a large extent, be transferred to reproductive works. The figures given in the Umballa telegram do not afford adequate data for comparison with the Budget statements to which they refer; but we shall have details soon enough. The total deficit now ascertained and shown as the figures stand is £2,516,362 on the "actuals" of 1868-9; and £1,780,052 on the estimate for 1869-70. Not the slightest intimation is given as to the chief directions in which the money has gone; nor is any light vouchsafed as to the objects in respect of which "large and immediate savings" are to be effected. It is idle for the Finance Minister to talk of "insuring public confidence" whilst he withholds information on these preliminary questions. As to the wretched expedient of raising the Salt-tax in the rest of India to the level of the Bengal rate, we must emphatically protest against that measure, more especially as the reduction to Bengal rates has long been regarded as a settled decision. The objections against an interim Income-tax are not essential, but, though only circumstantial, are very strong indeed. Should the Hon. Mr. Strachey persist in ignoring the lavish outlay on the barracks, and on some other items of military expenditure which the public has not the chance of criticising, and should he be determined to force through the odious surcharge on salt, and a perplexing, irritating, double Income-tax, it will probably be said of him that he is a man destitute of resource or originality, and, as such, quite unfitted for any continuous guidance of the financial fortunes of India.—*October* 8, 1869.

FINANCE OF THE BOMBAY PRESIDENCY:

The Issachar of the Indian Financial System.

IT is not too late to inquire what share this Presidency had in contributing to or diminishing the over-estimates and excesses which have gone to make up the Government of India's unseasonable deficit. The result of such an inquiry can, however, only be partial. The two largest items in account—Public Works and Military, the former of which is being made the scape-goat by our Supreme financiers—cannot be much, if at all, affected by the action of our local Government; but in respect of them we can at least state the actual outlay charged to the account of this Presidency. In these remarks it is only the "Regular" estimate that we propose to contrast with the "Actuals." That revised estimate was sent in by the Bombay Government, as by other local administrations, about the beginning of this year. It was then manipulated by Sir R. Temple and his clumsy artificers, and the more reprehensible blunders of which we have heard so much are grouped around the said "Regular" estimate. On behalf of the most moderate and determined of financiers, considerable latitude may be allowed in guessing the Indian income and expenditure fourteen months beforehand; but the public have a right to expect a tolerably close approximation to fact, when, as in the case of the "Regular estimate," the original guess is revised within three months of closing the period estimated for.

The total actual expenditure for 1868-9 under control of the Bombay Administration was Rs. 3,92,11,234 compared with the regular estimate of Rs. 3,79,84,796, showing an excess of a little under thirteen lakhs. But there was a much larger excess in the two extra-presidential items, as thus shown :—

	Regular Estimate.	Actual.
Military Department	Rs. 3,50,00,000	Rs. 4,15,63,030
Public Works Department	2,06,27,000	2,17,27,446
	Rs. 5,56,27,000	Rs. 6,32,90,476
Excess over Regular estimate		Rs. 76,63,476

But, as we have intimated, the military outlay through the treasuries of this Presidency is considerably more than represents its share of that Imperial charge, and it may be well to trace out a little further the contrasts between Bombay and all India in this year of deficit. If on the basis of population—the fairest ground of comparison for charges, if not for revenue also—we debit Bombay with one-eleventh share in expenses due to all India, we find the following results on the ascertained income and outlay for last year :—

INCOME under BOMBAY :—		
Administration—*i.e.*, Nett Revenue proper	£9,016,542	
Receipts P.W.D. and Military	1,893,827	
		£10,910,369
EXPENDITURE through Bombay Treasuries—*i.e.*—		
(*a*) Presidential Administration	£3,921,123	
(*b*) P.W.D. and Military, less £2,975,430 debitable to "Army in India"	3,353,603	
Add—		7,274,726
(*c*) Bombay's share of Home Charges	£77,843	
(*d*) Share of interest on Public Debts	263,447	
		341,290
Total Expenditure by and for Bombay		£7,634,219
Surplus yielded by Bombay in 1868-9		£3,294,353

There is here no account taken of Railway loans or expenditure, either Imperial or Presidential, so that in a rough way the surplus brought out shows unmistakably that Bombay provides and sustains more than its strictly proper share of national Indian expenditure. The deductions required to make the comparison exact are, the differences between the total Bombay receipts for Salt, Opium, and Customs, and that one-eleventh share of them—only due to her according to our apportionment of Imperial expenditure. Bombay collected, last year, of these items of revenue, an aggregate sum of £3,304,650, the total for all India being £16,734,360. Therefore, from the sum of those collections must be deducted the surplus as shown above, and the difference being taken from Bombay's fair share in those three items of Imperial revenue, will show our surplus of income over expenditure. Thus :—

Bombay Opium, Salt, and Customs Collections	£3,304,650
Deduct Surplus, as above, in 1868	3,294,353
Subtract	10,297
From 1-11th of Total Opium, Salt, and Customs	1,521,300
Surplus provided by Bombay towards the Revenues of India in the year of DEFICIT	£1,511,003

There should perhaps be some deduction from that total, inasmuch as we have retained to Bombay credit all its receipts under the heads of Military and Public Works; but, on the other hand, we have not taken credit for the considerable indirect contributions which, by dint of its unresting commercial activity, Bombay makes to the general revenues under the heads of Mint, Telegraph and Post Office. The receipts for mintage in Bombay (£86,420) were nearly half of what was received under that head for all India. That surplus of £1,500,000, after paying all the charges justly debitable to this Presidency, is worth looking at. We commend it to the attention of Sir Henry Durand or any other Olympian who may again be inclined to indite comminatory minutes against "the Government [of

Bombay] that has been treated with the greatest liberality, if not laxity, by the Government," and which is denounced by that Bengali administrator as "precisely that which has shown most disposition to evade, if not to oppose, the financial control of the central authority." It is not our cue to defend contumacy and official mutiny; but it may be well, in passing, to remind those who are just now severe on local administrators that if Bombay and other provinces show a surplus it means that another Presidency shows an enormous deficit. Year by year, the rest of India has to make up for the £2,000,000 or £3,000,000 of shortcoming which, on any principle of equitable computation, stands to the debit of Bengal.*

But let us revert to the inner line on which we were moving—the "Regular" and "Actual" of this Presidency for last year. We have seen that the estimate was over-sanguine by 21 lakhs; but on looking into the matter this can scarcely be adduced in disparagement of our local assessors. The wrong guess in opium alone exceeded the total discrepancy, there being a falling off of 44 lakhs between estimate in December, and actual as ascertained in July. The actuals of 1867-8 were also 55 more than last year. As we observe the deficiency under opium for all India is only £433,000, it becomes rather a pertinent question, whether or no the Bombay budget-makers, with their loss of 44 lakhs, are not to be held accountable for deranging the finances of the Empire? We believe they can clear themselves, and that nearly half this deficiency represents a surcharge arbitrarily clapped on in the hope of improving Sir R. Temple's Budget.

The opium revenue of the year before had actually reached £2,357,000, and the Commissioner of Customs thought 1868-9 would probably reach £2,131,200. As the result fell short of that sum by over £300,000, the Commissioner's guess cannot be regarded as a happy one; but the censure for half the over-estimate rests with the financiers at head-quarters. Their imprudence in that respect was, however, in great measure redeemed by the moderate estimates of the Bombay officials in other items. There is, indeed, a deficiency of five lakhs in the Bombay estimate of land revenue, and eight under "Law and Justice;" but we can point to a gain of three lakhs in Forest, four and a half in Abkaree, nine in Customs, nine in Salt, three in Marine, and five in Miscellaneous.

Under all the disadvantages of the present system, with its vain attempt to control from one remote centre all the finances of nine multiform provinces, there is evidence that, in those items of revenue and expenditure over which the Bombay Government has something approaching to an intelligent responsibility, there is a fair attempt to secure certainty and economy. It is not needful now to push further the conclusions that may be fairly drawn from the variety of facts and details we have here set forth; but it must be plain to the most bigoted advocate of centralisation that the present system tends to defeat its own object. No one can now dispute the principle, that all those revenues which are strictly provincial in their growth can be spent to best advantage, and can be best economised by those responsible for provincial administration.* But the carrying out of this principle will demand, in certain directions, the exercise of firmer and more impartial statesmanship than is met with in every decade in India.—*Nov.* 2, 1869.

SIR RICHARD TEMPLE'S BUNGLING BUDGETS:

Barracks and Home Military Expenditure.

BETWEEN the attitude of the Supreme Government towards the taxpayers, in October last and in this present month of February, there is an extraordinary contrast. Then, the Viceroy and his advisers were all frankness and confidence. Now, they are all reticence and distrust. The Budget is to be presented next month; but so complete is the secrecy maintained, so much is mystery affected, that the public might be forgiven for either extreme of credulity or suspicion. For anything that transpires beyond the narrow walls of the small committee-room—from which half-a-dozen gentlemen trained in eastern and northern India affect to govern this diversified Empire—we may either be

* See also, on these topics of unequal contribution, of decentralisation, and of provincial control, pp. 326-9, 340-1, 349-50.

on the eve of an aggravated deficit, or about to receive disclosures from Sir Richard Temple showing that his critics had blundered worse than himself, and that there is to be a surplus after all. There is no rational excuse for keeping the public in this state of utter uncertainty. The advisers of Earl Mayo took great credit to themselves, making meantime an *ad misericordiam* appeal to the Secretary of State, because of their unwonted openness and candour. No doubt it went sorely against the grain to take the public into viceregal confidence about its own affairs; but that common sense, though, unhappily, an exceptional course, had its reward. The Press was delighted, and could not too much admire a new Viceroy who could for a whole month push his Cabinet out of the grooves of bureaucracy; while the kind public, even that stiff-necked one of Calcutta, cheerfully bent its neck to the yoke of a 5o per cent. Income-tax surcharge. The stroke of policy served its turn; and since the new year we have once more swung back into the constant atmosphere of secrecy and distrust which, in all matters fiscal and financial, hangs like a pall between the Government of India and its own constituents. . . . Since the Finance Minister returned to his post, the sober confidence which the public had acquired from having been treated like adult people has been dissipated. His elaborate review of the detected blunders for the existence of which his department was responsible, in no wise lessened their gravity, and he was unable to inspire confidence in his capacity for overcoming their effects or for preventing the recurrence of similar oversights. Sir Richard Temple has shown no inclination to imitate the outspoken policy adopted in his absence. . . . That the drawings of the Secretary of State have been intermitted is only a matter of account; though if India can find a spokesman in Parliament, it may be hoped that the "Home Charges" have received a check which will tell in the course of the forthcoming year. It was admitted by individual members of the Supreme Government, though not officially, that by far the greatest single cause of expenditure having outrun revenue, was to be found in the outlay on the costly permanent barracks; and it was understood that at any rate that severe hemorrhage would be immediately staunched. But no one can say that this has been done. The outlay on these extravagances has, no doubt, been kept better in hand during the last few months. . . . Further investigation and more mature consideration, both by medical authorities and practical men, have shown that even the sanitary benefits presumed to be secured by those massive structures elude our grasp as the capital expended is finally sunk, or are neutralized by evils from which the lowly chupper* and well-selected site are free. It is not only suitability and the value we get for our money that is here in qnestion; but there is the question of financial policy, involved in the strain on our current resources, by providing for these expensive structures out of revenue, that is neglected, or worse. Every one knows that in this matter the present Finance Minister deliberately chose the perverse, retrograde course of treating this eminently capital charge as one of current outlay, and that it was under his hands in this matter that the Indian Government weakly surrendered to the misgivings of Sir Stafford Northcote. . . . But the authorities, who are all-powerful to insist upon any series of small and injurious economies, are comparatively powerless to deal with the really large heads of expenditure; and they have not proposed to deduct even a temporary percentage from the salaries of Councillors, Governors, and Commanders-in-Chief. The cost of the Army is more than £16,000,000 sterling per annum—one-third of our whole current expenditure. When, in October, the Viceroy and his colleagues appealed to the public, they laid great stress on the necessity of making some large reductions in that direction. And what has come of it? The total deductions have now been announced (though not officially), and at most we do not see that much more than £500,000 will be saved—a retrenchment of half an anna in the rupee in by far the largest item of current expenditure! Patronage and class interest at home laugh to scorn our brave economists of the Supreme Government. There are military men who could show—and probably the Military department of the Supreme Government did show—how four or five times that amount might be saved without diminution of real efficiency; but the Indian Government, though so terrible to small fry of employés, so ruthless in cutting down "Agricultural"—*i.e.*, irrigation grants—has to pipe to a very small tune when it turns its efforts to the other end of the scale, where effort would really tell. It is bad enough for the public to have to wait until the close of next month before they can know what is to be done and what can be gained by dealing with the

* The thatched, single-storeyed, old-fashioned soldiers' quarters formerly used in most provinces of India.

expenditure side of the account. It is still worse to be kept in the dark concerning the whole range of questions that pertain to taxation, financial administration, loans, and debt. In no one of these branches of his high functions can the present Finance Minister inspire confidence. In his case, the secrecy and absurd reticence which it is the baneful custom to maintain can only excite distrust and apprehension. In these circumstances, the support of which Earl Mayo might be assured from an intelligent public opinion is denied him.—*Feb.* 15, 1870.

The Large Finance: Railway and Public Works Exploitation.

II.—In connection with the forthcoming Budget so many details have to be considered, so many corrections of corrections will have to be made, so many explanations and apologies will be forthcoming, that it will be too much to expect the Finance Minister to bestow much attention on the higher branches of his art. Had Sir Richard Temple ever displayed any special aptitude for such topics as the development of currency facilities, the management of debt, and economy of public obligations, or the means of utilising and forecasting the resources of State credit, it would be unreasonable to look for his dealing with any of these difficult matters in the Financial Statement on which his pen is now employed. The public have no right to ask more from him just now than that he shall prove himself up to the mark in every detail of the Budget, that he shall produce evidence of complete reform in the Financial Secretariat, so that we shall have heard the last of the reproach, that "Indians cannot count." . . . With his hands full of ordinary work, we must be content if he does that tolerably well, but the weightier matters to which we have alluded press for attention; and amongst Sir Richard's colleagues there are men who are not likely to neglect them. Sir William Mansfield, with all his repute as an authority in monetary science, should not be content to leave India without striking another stroke on behalf of a gold currency and the revision of the note system. Sir Henry Durand has manfully confessed the great shortcomings of the Indian Government in regard to communications; and he will be expected to show the best method of providing funds for the more rapid development of public works. In reference to the economy of loans and interest charges, and regulations to meet the coming increase of national obligations, the Hon. John Strachey will have opportunity to manifest those comprehensive financial views for which he has, somehow, gained credit without, as yet, having had the chance to put them before the public. Thus, if the Finance Minister will duly attend to his special business of looking after the odd thousands and marshalling the lakhs, there are plenty of statesmen at hand who will be at leisure to consider the crores. Some of them ought at this juncture to do what men can do towards defining the principles that must determine the financial fortunes of India during the rest of this century.

Amongst proposals of permanent importance which should claim attention before the ground is occupied by the details that will be thrown up in course of the Budget discussions, is one developed in the pamphlet, "Indian Railway and Indian Finance," published in this city a few months back. . . . No one now disputes the soundness of the decision, arrived at during the closing months of the late Viceroy's reign, that the funds for future Indian railways shall be obtained by direct loan from the home money market, so that the capital may be raised most economically, and all the profits from future traffic may accrue to the benefit of the State. The feasibility and advantage of Government purchasing the existing lines, are not quite so obvious, and the suggestion may be regarded in the light of a challenge to our official financiers. How is this to be done, and wherein shall the State profit thereby?* . . . . . .

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* Owing to the changes in Indian railway finance and organisation since the period referred to above, it seems desirable here to anticipate, by briefly comparing the present results with the forecast and proposals of the writer quoted in the text—Mr. John Hector, formerly of the Bank of Bengal. Though circumstances, then dimly foreseen, have rendered his anticipations more favourable than he dared to expect, his argument and calculations were then far in advance of the policy of the Government of India's railway bureau. 1. With regard to that option of purchase by the State, two very different results have since come about. In respect of three of the large guaranteed railways, the India Office, under the Duke of Argyll, most perversely renewed the contracts without consulting the Government of India. This wanton neglect of the interests of the Indian taxpayers provoked justly indignant remonstrance from Lord Mayo and his colleagues. On the other hand, the largest of all the guaranteed lines—the East Indian—was purchased, pursuant to a protracted and difficult negotiation successfully conducted by General Richard Strachey, R.E., on behalf of the Government of India. The results of this transaction

The contracts with the companies, though adverse to the Government, do reserve to it the option of purchasing the lines at 25, and again at 50 years after their opening. This is clogged with the condition that the rate of purchase shall be an average of the previous three years' market value of the several companies' shares. It is obvious that any well-founded expectation of Government buying out the lines would tend to expand the market rate indefinitely. The purchase of Indian railways would then become time-bargaining *in excelsis*. The conditions defeat themselves: moreover, the close of the first period of 25 years is too distant to make it worth while to begin to count upon any practical relief. It is just now that our financiers should show their skill in this matter, and before the State begins to raise railway capital directly. Possibly one of them may have in his bureau a scheme in all respects superior to the one broached in the Bombay pamphlet before us; but in the meantime this challenges attention. The writer points out that, as the Indian Government is formally liable for the debentures, which now represent one-fourth of the railway capital, and as it is virtually responsible for principal as well as interest on the rest, the transfer of the whole sum to our Great Book debt would in no way weaken our financial position. . . . Are there, then, any of our official financiers who have the courage and the foresight to take time by the forelock and secure to the State the full prospective profits of our existing lines? We fear not. . . . (1.) The writer has an easier task when he turns to show the great ultimate advantage which must accrue to the State in constructing future railways from the cheaper capital that will be attracted by its own direct credit In an elaborate calculation (the details of which, however, require correction and adjustment), he shows that by the year 1888, with 9,000 miles of railway open, representing a total obligation of £177,500,000, there will "be a net surplus profit falling into the Treasury of £4,500,000 sterling." (2.) We cannot do justice to this part of the writer's argument, and it is of less consequence to attempt to do so since his conclusions in reference to future railway finance had virtually been accepted by the authorities by the time the pamphlet appeared. We must give, at least, passing commendation to his broad reasoning, in which he shows the feasibility, safety, and duty of the Government of India expending freely on public works, and to his recognition of the fact—blundered over and misconstrued by our official financiers—that India on the average of the last decade "has yielded an annual surplus of £5,000,000 to £6,000,000 sterling, instead of being afflicted with a chronic deficit, according to the popular belief." In having thus worked out these broad views for himself, the writer, though trained in the narrow and purblind school of Bengal finance, affords evidence of the enlightening and liberal influences of the atmosphere of Western India. Our present Finance Minister is, we fear, much too knowing to give heed to any anonymous pamphleteer; but in the preface the writer makes certain valuable suggestions as to the form in which it would be expedient to have the Budget accounts arranged. Briefly described, his proposals are to divide the Budget accounts into three distinct schedules: (1) Ordinary revenue and expenditure, showing distinctly surplus or deficit; (2) expenditure on non-productive works, such as barracks, &c., showing loans contracted, repaid, and remaining due; (3) similar statement regarding productive and remunerative works, as railways and irrigation, showing current outlay on construction, charges for interest and maintenance, also the returns obtained. A comprehensive balance-sheet like this would vastly simplify all questions of Indian finance; and it is more than probable that even the Finance Minister himself might learn a good deal in course of its compilation.—*March* 10, 1870.

Income-tax and Military Expenditure.

III.—Sir Richard Temple's bill of fare is now before the public, and we dare not hope that the lieges will rejoice in his *pièce de résistance*. From a telegram in

have abundantly verified Mr. Hector's forecast. 2. In this respect, also, his calculations have been more than justified, but less owing to the cheaper rate of interest commanded by the State than to the lower cost of construction on the State and subsidised lines. Mr. Hector's estimates have been largely overpassed on the favourable side. Thus, to compare his three totals given above—at the end of 1887 there were 14,000 miles open; and on a total capital outlay of £183,000,000, the surplus of net receipts was about 9⅛ millions; and this, notwithstanding deficiency of receipts on lines under construction, unremunerative "famine" railways, and the trans-frontier military lines, which can never pay their working expenses. But, after all, those 9⅛ millions of net receipts are consumed by interest and exchange charges, leaving a net deficit of over Rx.2,000,000. The fullest details as to Indian railway finance will be found in Mr. Westland's Statement for 1888-9, paragraphs 78—84.

another column, it will be seen that the Finance Minister's one fiscal expedient is the simple but clumsy one of raising the Income-tax—and this all over India, alike in revenue-producing Bombay as in deficit-creating Bengal. The rumours which threatened a "war rate," a four per cent. levy on incomes, were incorrect, but this consolation is only fractional: for some, as yet, inscrutable reason, the charge is fixed at the irritating figures of three and one-eighth. The Budget will, of course, be passed; though it will give the scarcely needed quietus to Sir R. Temple's lingering reputation as a financier. It is not within the powers scantily doled out to our Legislative Council that a resolute minority—as Sir Robert Peel once confessed to Mr. Sharman-Crawford is the case in the British Parliament—can check the course of public business. The Viceroy has "laid the dâk" for his tour to the North-west frontier; and whatever indignant protests may be made, whatever eloquence may expend itself in debate, His Excellency will leave Calcutta on the day appointed, turning his back on a Budget pregnant with mischief and dissension. It may be full of blunders also. When Sir Richard Temple tells us the estimates for 1870-1 leave a surplus of £163,440, who cares to attach any weight to the statement? Just a year ago, at the close of a statement suffused with roseate hues, he told us that there was for 1868-9 a deficit by "regular" estimate of £1,000,000, and added—"There is (for 1869-70) an estimated equilibrium between income and ordinary expenditure sufficiently assured by a small surplus (£52,650)." We all know what happened to this "equilibrium" whilst Sir Richard was taking his pleasure and advancing his interests at home. . . . . .

But it is from the expenditure side that relief should have come; and others besides Sir R. Temple must answer for that. After six months have passed away, during which there has been ample time to mature plans of reduction, we are only to save a paltry £750,000 on our £15,000,000 of army expenditure; though competent professional critics affirm we might have as much efficiency for £2,000,000 or £3,000,000 less—a much larger sum than the Income-tax will produce. In the course of his statement last year the Finance Minister boasted that the civil and military expenditure "in India" was well under control. We know better what weight to attach to that remark now; but, at any rate, the Indian Government is no nearer getting control over the large and increasing expenditure at home. The India Office, the other day, spoke rather cavalierly on the mere matter of furnishing prompt detailed accounts of the £6,000,000 or £7,000,000 spent annually on our behalf. As a matter of account and expenditure, this should engage the most earnest attention of the Finance Minister, and we trust to find some sign of this in his detailed statement; though he is not the man to perceive the injurious economic effects of such large sums being spent out of the country which has to produce them. There is no evidence that any change has been made in the classification of Public Works expenditure, and though the gross amount of "ordinary" has been reduced from £6,250,000 in 1868-9 to £4,000,000 for the coming year, it is much to be feared that this includes the cost of permanent barracks and several other charges which really belong to capital account. But what does this matter? The Income-tax will cover all that. . . .—*April* 4, 1870.

Tax in Haste, Retrench at Leisure.

IV.—The same issue of our paper which contains Sir Richard's ironical allusion to Parliamentary forms gives the telegram stating that the Income-tax Bill has passed; which means that the "standing orders" were suspended, and that all the constitutional arrangements—intended to afford scope for full discussion, and to permit of unimpeded bleating from the silly sheep in the hands of the shearers—have all been swept aside. Thus, the worst symptom of this Income-tax mania amongst our financiers is the manner in which the impost has been literally "clapt on." There was no revenue regulation or financial emergency which required such a summary course as in the case of altering customs duties. The haste is indecent, and indicates either a dread of remonstrance or contempt of public opinion. There may, however, be great future advantage arise from the despotic and cavalier manner in which Sir Richard Temple has been allowed to seize this half-anna in our every rupee. It must give the death-blow to his career as a financier. It will arouse close and prolonged attention to Indian financial affairs amongst classes who have been much too indifferent to their own and their neighbours' interests. This popular energy enlisted on the side of economy and judicious financial management, will react upon those who have the power to initiate comprehensive reforms. Sir Richard, who refuses to leave the old ruts, will have to give way to men of originality and resource; for—despite the discouraging

spectacle of the whole Executive Council acquiescing in the superficial Budget just presented —such men are to be found. We regard as something like a quack remedy the sending home for an English financier; but the present Finance Minister may thank the Irish land question that he stands where he does. Had there been last October a lull in home politics, instead of an atmosphere of almost revolutionary fervour, no considerations as to sparing the *amour propre* of the unduly promoted Sir Richard would have stood in the way of his super-session. He has escaped that blow, but only, it seems, that he might be permitted to cut away the bough in which he is standing.

As all the figures of the Budget statement are before our readers, we need not apologise if, somewhat contrary to our wont, we treat this subject from the personal point of view. We consider that in our present Finance Minister a good executive officer is misplaced, and the bureau is encumbered with an unsuitable occupant. His statement in nearly every paragraph displays the *specialite* of the report writer, and in equal degree the absence of the statesman's comprehensive glance. . . . After the lecture on economy which His Grace of Argyll has been good enough to give our Olympians, it may be hoped that some little effort will be made to check the outlay at home, which is now mounting up to such a formidable sum—including railways £12,000,000, or 22 per cent. of our expenditure—as affords a large field for saving, and allows many seams for leakages. Had the Viceroy requested that a smart man like Mr. Baxter, of the Admiralty, should be lent to the India Office for a month or two, it is not impossible that an odd £500,000 might be saved amongst stores, freights, and sundries.

This is only a small sum, but the valorous Government of India have not been able to save more than that out of the one great charge of military expenditure. It is a small consolation to be told that we are not paying more for our army than we were in 1863-4. The expensive Umbeyla campaign was scarcely over then, and it is hoped we have made some progress in frontier as well as internal security during the last six years. So long as no serious attempt is made to reduce this one great item of our current unproductive expenditure, we may expect income-taxes and deficits from year to year. The Government of India do not frankly own themselves beaten on this one great item of the case they submitted to the public and the home authorities last October; but Sir Richard Temple shirks the subject, or merely trifles with it. With regard to reduction of military expenditure and reform of army organisation, there is little but sham and by-play. The Duke of Argyll, in a didactic mood, said: "I have called your attention to army charges;" but Mr. Cardwell, who had made a tolerably good fight with the Horse Guards, almost ridicules the notion of the Indian Government wishing to be relieved of costly superfluous forces. And now we have Sir William Mansfield, in his valedictory speech, coming forward with magniloquent phrases to screen the Government of India's weakness and inability to cope with the influences which keep up a war expenditure in time of profound peace. Sir William, in the sensation part of his speech, called up the ghost of the Mutiny—a "property" that always tells with a Bengal audience—and by dint of hollow tones and affected solemnity appears to have made some people forget for the moment all the political considerations and historical contrasts which render it so absurd to measure the military necessities of to-day by those of 1857-8. The number of European troops in India when the Mutiny broke out was but two-thirds of the number here now, and which Sir William maintains are absolutely needful. But those 42,000 European troops, with the aid of the faithful of the Bombay and Madras armies, had broken the neck of the revolt before any reinforcements arrived from England. Our military expenditure before the Mutiny—and Bombay had just seen a large expedition depart for Persia—was only £12,000,000, including the cost of 130,000 native troops since disbanded. Though in making these remarks we diverge somewhat from Sir Richard Temple's statement, they refer to the heart of the subject, and mark one of the palpable omissions of his review. It is mere "palaver" to make a great fuss about lakhs, whilst neglecting to retrench the millions. . . . .—*April* 9, 1870.

FINANCIAL AND FISCAL DIVERSITIES:

A Plea for Federal Finance.

INDIA is not homogeneous. Having endeavoured to show that when the Finance Minister ignores that truism by indiscriminately levying the same assessed and trade taxes on all the provinces of India he commits grave injustice, it may be as well also to indicate how much he loses by blind adherence to the procrustean method of

treating all his victims alike. So far from manifesting impatience of taxation, whether ignorant or intelligent, we are willing to admit that the Indian population must contribute more largely than they have yet done towards the expenses of regular administration. Though we can give no quarter to the stupid maxim that "India must not borrow," that she alone of all countries on the face of the earth must build her permanent defences and reproductive public works out of her current revenue, we are ready to grant that the ordinary purposes of administration require a steady increase in our current revenue. Perhaps we may go so far as to admit that the direct contributions of the people must be multiplied and made to yield more than they have yet done. This is not to say anything in support of the Income-tax, which the present Finance Minister, with a smile of satisfaction, would raise to four per cent. if he dared. That rate would be little enough to be paid by the holders of perpetually settled land, and Sir R. Temple knows where to find them; but, as we proved the other day by figures and comparisons of the present provincial contributions, the levy of that—or, indeed, any uniform—rate of Income-tax over all India would be very like extortion.

During the last few months numberless suggestions have been made in our own and other newspaper columns with the patriotic object of showing the Finance Minister how to increase his revenue. There has been a wonderful variety in these proposals, but a remarkable unanimity in the confidence which these amateur financiers have expressed in their own panaceas. In one respect they are on a level with our official financiers in Calcutta, but that one is fatal to their pretensions. They also treat India as if it were homogeneous; they ignore the inequalities which now exist, and they propound their dicta as if there were a *tabula rasa* on which to inscribe them. Nevertheless, when we recall the group of heterogeneous suggestions it is evident that an original and thoroughly independent financier might make something out of them. But no such man could long be bound down under the absurd notion that it is possible to tax the people equitably and productively under a scheme of ways and means applied alike in every province, from Cape Comorin to Peshawur. The Indian financier who is to be successful must be strong enough to exorcise the paltering devil called "uniformity." . . . . . .

But how can the Legislative Council at Calcutta know the social physiology of each province sufficiently well to decide in which of them a tax on the luxuries or ostentation of the people would be productive, and in which it would raise a mutiny? Similar facilities and similar dangers beset any uniform schemes to tax articles of drink or diet, some of which may be injurious and others decidedly unnecessary as food and beverage; though in some provinces both moral and fiscal considerations combine to render highly expedient "optional taxation" directed against foolish indulgences. Probably, were the *abkhari* (excise) given over to the provincials, zeal for the financial good of the public might lead to a mischievous development of the hateful traffic; but in the matter of tobacco duties we see in Bombay that great advantage is derived from their being under the management of the local Government and devoted mainly to municipal purposes.

Many of the crude schemes put forward as suitable methods of universal taxation in India are simply impracticable. This Tobacco-excise is one of them. Very elaborate statements have been made out in order to show that, as everybody smokes in India, a tax on the weeds burnt for that purpose would produce a solid surplus for the Central Exchequer. Unfortunately, the consumption of tobacco or its substitutes is scarcely more universal in India than its production, so that it would be impossible to levy a smokers' tax that would be worth the cost of collecting and watching for. By far the most practical and promising of all the suggestions for a new universal tax is that which points towards the adoption of a Succession or Legacy Duty. We have ourselves, in times past, advocated this measure—both on the ground of general principle and that of analogy with the ancient Indian custom of *nuzzerana*. But we must confess that a perusal of the papers in which two or three years ago this subject was exhaustively discussed by the Government of India—the conclusions being unwillingly concurred in by Mr. Maine—convinced us that it would be all but impracticable and certainly unprofitable to levy Legacy Duties in Bengal, and probably in the N.W. Provinces also. . . . Very forcible arguments have been put forth by some writers on behalf of a Marriage-tax. If such a levy could be equitably graduated, the impost being heavier in proportion to the juvenility of the luckless little couples, and rising with due reference to the social scale of the parents, the total proceeds to the Imperial Exchequer would be very large. The effect of such a tax as a sumptuary law, repressing culpable extravagance and frantic orgies, and discouraging the baneful custom of infant

marriages, might prove highly beneficial if regulated and applied by provincial authorities thoroughly well acquainted with the customs and condition of the people of their own district. But a Marriage-tax levied by the central authority and on one uniform plan might produce incalculable misery and confusion throughout every other province of India. Somewhat akin to this is the proposal to tax personal ornaments—necklaces, anklets, and bangles, also bracelets, of course, and, we presume, Albert watch chains. It has been urged that "this tax would be a righteous tax, and probably a very productive one also." It is also recommended, under the philanthropic expectation that "the ultimate effect of it would be to abate the barbaric passion of the natives for display, and induce them to spend their money on the comforts and business of civilized life." It will be seen, on the slightest consideration, that an imperial and uniform tax which would require something like domestic inquisition for its levy might cause grievous offence, while it would operate very unequally in different provinces; but it is by no means unlikely that provincial Governments might be able to devise some unobjectionable method of deriving revenue from this, the most tangible portion of the people's personal wealth. This proposal has often been coupled with another, which could only be a universal Indian tax—that is, an import duty on the precious metals. India has often been spoken of as the "sink for the silver of the world," or as a reservoir in which gold and silver are continually being collected. The prospect of securing but a very minute toll on this ever-flowing stream of wealth is necessarily attractive to a financier who thinks only of revenue. But those who propose this—and notably so a correspondent in our own columns some little time back—forget that such a duty would at once interfere with our vast silver currency, and also alter the relative positions of the public debtor and creditor.

We might carry to any extent our references to the inventions of amateur financiers. . . .—*March 31*, 1870.

IMPOLITIC FINANCE RESENTED:

Calcutta Indignant.

THE predominant feeling left in the mind after perusing the report of the "Indignation meeting" at Calcutta is one of profound regret. During a period of several years—a period marked off with tolerable distinctness by certain significant allusions in the speeches of last Monday—the Government of India and its subjects, native as well as European, have moved along with tolerable harmony in regard to public affairs. There have been instances of dissatisfaction now and then. Sometimes certain classes or provinces have had their grievances, and criticism of public measures and policy has been free and constant; but there has been nothing like general discontent. It must remain a matter for difference of opinion as to how much or how little credit can be fairly attributed to the character and influence of the late Viceroy; but it will be generally conceded that when Earl Mayo landed at Bombay in February, 1869, there was prevalent in India a greater degree of harmony and mutual confidence subsisting between the rulers and the ruled than had been observed in Anglo-Indian history at any time since certain brief periods under Sir Chas. Metcalfe or Lord William Bentinck. Fourteen months after Lord Mayo's landing this genial and healthy condition of the public mind is rudely disturbed. In spite of the breeze of loyal enthusiasm—as sincere and hearty as any such popular gust could well be—which has just swept over the realm, we have a crowded meeting held in the eastern capital whence the Viceroy and his colleagues had just departed, at which something like a feeling of settled anger is manifested, and a temper of disaffection and suspicion which for long to come must grievously lessen the just influence of Government and cast discredit on many of its well-intentioned efforts. We need scarcely add that the stern temper displayed by the Calcutta meeting, and the strong condemnation passed by it on the whole financial policy of the Indian Government, are only decorous and restrained manifestations of the dissatisfaction (we had almost written disaffection) and distrust which—as journalists have good opportunities of knowing—pervade nearly every class of Indian society since the promulgation of the Temple-Argyll Budget.

And to what end has this unsettlement and exacerbation of the public mind been caused? Had some great principle of politics been vindicated by a Government in advance of its people, some great class abuse been abrogated, or some notable triumph achieved in

the interests of a subject race, then a storm of popular indignation might have been witnessed with equanimity, and our rulers might work away on the cool height of Simla conscious that time would do them justice, and that mere clamour would soon be forgotten. No such sustaining and comfortable thoughts can now interpose to break the force with which the reports of the Calcutta meeting and the determined tone of the rapidly multiplying memorials will strike on the minds of the more thoughtful members of the Supreme Government. They will have seen long ere this that if all this perturbation could have been avoided by the sacrifice of the £1,487,500 which Sir Richard Temple estimates the 2½ will fetch—for the 1 per cent. would have been paid without much objection—then such sacrifice would have been a great national gain. But, we are told, Sir Richard was peremptorily ordered by the Duke of Argyll to make an equilibrium by estimate; and what then? . . . Babu Kristodass Paul spoke in favour of a Royal Commission being appointed to look into the whole system of Indian finance and fiscal management. Though this proposition is a little irregular in form, the Babu was "wiser than he knew;" and if, when Ireland shall be started on her regenerated career, Parliament should take a course which would bring about the appointment of such a Commission, that result would be one of the few and remote compensations which are all we have to hope for from the present deplorable dislocation of the ties which have of late years bound in one strong bundle the people and rulers of this great diversified empire. For this unsettlement, and the present unhappy relations, Sir Richard Temple, Lord Mayo, and the rest, each in his degree is wholly responsible. It is easy to open the flood-gates of popular agitation, but it may take a man of genius to close them; and is there such an one anywhere available for India?—*April* 25, 1870.

Bombay Remonstrates.

II.—Those thinkers and philanthropists who have earnestly desired that the natives of India should be stirred up to take a lively interest in public affairs and imitate English forms of popular discussion, would have been gratified by the animated spectacle presented in our Town Hall on Monday afternoon. More than 1,000 of our native citizens, of all castes and creeds (besides nearly as many more who came and went), were seated in constitutional array, seeking redress of grievances by the English fashion of public meeting. . . . . .

After the agitation of the last two months, the speeches at such a meeting necessarily present some sameness; but as reiteration is said to be one of the secrets of oratory, so, in popular agitation, the requisite of success is, as President Lincoln once grimly remarked, to "keep pounding away." Though the speeches of Monday present various salient points for notice, it is the memorial on which attention will be concentrated. It is, indeed, a *pièce de résistance*, and suggests the familiar proverb, "Cut and come again." Its compilers appear to have desired to leave nothing out. We may read within the compass of its twenty-seven paragraphs the history not only of the Temple Budget, and what came of it, but also the story of the Wilson Income-tax, and Sir Charles Trevelyan's slaying thereof. One apology for the length of the document, and not a bad one, is to be found in the numerous quotations that are given from public authorities. Like Colonel Balfour and Hancock before the recent Committee on the supersession of British Generals, one Finance Minister after another is summoned to tell Sir Richard Temple that he has made a huge blunder, while His Grace of Argyll is himself called in to show that Sir Richard ought to have attacked the expenditure side of the account, instead of building up the income column with untempered mortar. It must be confessed that the future financier does not get much help from the Bombay meeting in respect of suggestions for new taxes, or enlarging the revenue in any way. In alluding to the Stamp Act, they imply censure of the probate duty one of the fairest of all imposts, and they miss the chance of denouncing the enhanced stamps on judicial proceedings, which are the worst of all taxes. . . . . Fastening upon the admission by the Finance Minister that, of the £6,250,000 of deficits during the last three years, more than half arose from the consumption of current revenue, the floating capital of the country, in the building of barracks, the memorialists ask that the £3,500,000 so sunk, together with the £658,955 for the present year, shall be redeemed by a loan. Though the Duke, however convinced, will scarcely consent to be wise after the event to the tune of £4,000,000, this distinct demand for a sane policy in the matter of barrack building will not be without effect. Coming to military expenditure, the

memorialists make the very modest request that reduction should be carried out to the extent of "£1,500,000 of the whole military charges in India," which His Grace has admitted is possible to be done. They might safely have gone somewhat further in this direction. It gives a poor account of the rapidly growing moral and material strength of the British power in India during the last dozen years when it has to be confessed that our outlay on the Army is £3,000,000 more than before the Mutiny. Some percentage of this is due to the change in prices and the lowered value of money; but incomparably more arises from the artificial and heterogeneous military system of the present time, and which, in one of its most extravagant phases, has been defended by the Duke of Argyll himself. It would have been very suitable for our native fellow-citizens to stigmatise the excessive and costly nature of the present military establishment; which, unlike the expenditure in India on public works, sends funds out of this country without material recompense of any kind. In paragraph 24 the memorialists trespass on His Grace's own preserves. They point out that "the exigencies of the State"—a plea before which the Duke himself must bow—"demand a close scrutiny of the expenditure of the Indian Treasury in England." . . . Of the £7,000,000 forming actual charges on the Indian revenue, a large proportion are more or less under control, and no great harm will be done, even to His Grace, by "pounding away" at them.—*May* 4, 1870.

Echoes from Home.

III.—The telegram we print this morning from London may, we trust, be regarded as indicating that a thorough discussion on Indian Finance has commenced at home. Some cynics may remark that there is nothing unusual in the fact that Mr. Samuel Laing has come before the public with a long letter. Perhaps not; but the late member for Wick has the knack of choosing a suitable moment for reminding the world that he is one of the "men of our time." There is some proof that he has made a correct guess in this instance, seeing that he has at once secured the "endorsement" of the leading journal. . . . . .

If Mr. Laing can drive into the home press the trite statement that the English and Indian Budgets are essentially different, that the Indian Government, besides ruling 200,000,000 of people, is also a great railway, irrigation, and road-making company, he will do an immense service. Until that elementary proposition is mastered, we shall have public men at home committing such egregious blunders like that of Mr. Cole, C.B., last year; when, in an essay read before the Society of Arts on Army reorganization, he gravely expressed the hope that "ere long India might contribute something towards the maintenance of her military forces." In reference to the fifth point of Mr. Laing's letter—the policy of defraying charges for permanent works by means of terminable loans—he will have a more appreciative audience; and, possibly, on this side, the tendency of the city man and railway magnate may, in him, be a trifle too strong for the statesman. . . . . .

When the subject is fairly looked into, as there is ample promise that it now will be, it must be seen that, so long as English investors are ready to send their capital to the ends of the earth, India will always have a claim to the "first refusal." English savings, judiciously invested in communications and irrigation works, will liberate and render sevenfold more productive the scant Indian capital which is sorely needed for the extension and improvement of our indigenous agricultural operations. If any public men dread that this process of investing English capital in Indian productive works is likely to be carried on too fast or too far, it can only be either because they had not given adequate attention to the subject, or that they shirk their own share of the trouble and vigilance required for the administration and regulation of that policy. . . . For years past we have in these columns steadily contended on behalf of these common-sense principles of Indian finance which—thanks to Sir Richard Temple—are now being forced on the public attention. Whilst we rejoice at the dispersion of ancient prejudices and the sweeping away of cramped and purblind notions, we shall be ready, if occasion arise, to resist the swinging of the pendulum in the direction of extravagance and undue strain on capital resources.—*May* 26, 1870.

INDIA'S "TRIBUTE" AS A DEPENDENCY.

AND so, that old "*Bombay Times* states that India will during the current year pay to England a tribute of £9 500,000!" Does it? It is very stupid of the old print thus to tantalise people who only want to swear at the Income-tax and have done with the tiresome subject of finance; but we fear this *Times of India* itself is not much better, for last Friday we see it made this remark: "The balance of £9,500,000 [to be drawn by the Secretary of State in bills] may be roughly spoken of as the 'tribute' yielded by India to England; but considerably more would have to be added on account of private remittances which escape observation in the general trade accounts between the two countries."

Now, there is not much difference between these two quotations so far as statement of fact is concerned; but in the way of putting an argument, there is some distinction which might, one would think, have been appreciated by any critic who really wished to know the truth of the matter. Of course it would be unreasonable to expect journalists to be always digging for truth and fact. They must have their by-play as well as "undergrads" and M.P.s; and this "discovery," that the "tribute" yielded by India to England is "the merest mirage," is only a little pleasantry to which our daily contemporary yielded after the strain of seeking for the joints in Mr. Laing's harness. But, as many a truth is spoken in jest, so very important public questions may receive unexpected illustrations when it becomes necessary to point out the difference between hard fact and idle fable. . . . . .

However, it is not the extent, but the fact of the "tribute" being rendered, that we are now concerned to make plain; and it may serve as an easier lesson for our contemporary, or any other tyro in this particular branch of inquiry, if we refer them to a paragraph from the *Economist* in another column. The figures in it are taken from the same tables that we have just quoted from, but they include statistics of the colonies, and thereby afford a very significant point of comparison. We have taken the trouble to make an abstract of the abstract, so as to present only the totals. Now, how does it happen that while the imports of the colonies in that year exceed their exports by £3,500,000, the exports of India exceeded her imports by £2,250,000? It must be remembered that had any other year been taken than 1867, the contrast would have been doubled in amount; but why does it exist at all? Simply because the political relation of India to England is essentially different from that between the colonies and England; and the result of that different relation is an enforced, unavoidable contribution—a "tribute" from the dependent to the ruling country. That contribution, though disguised by loan operations, the transmission of stores, and the fluctuations of prices, is a great fact, which no one who attempts to examine the financial position of England or India can ignore for a moment. Though only one large river amidst the many streams that feed the great ocean of England's wealth, it forms a very heavy price or toll that India has to pay for her toilsome commercial progress.

One word as to etymology, in which our contemporary sets up as a professor. It is probable that most persons, since the days of spelling-books, have been aware that the ordinary rendering of the word tribute is—"a stated payment from one country to another in token of submission;" and our usual practice in placing "tribute" between quotation marks might be sufficient to indicate that we applied it in a sense somewhat different from the ordinary one. But, really, this homage to verbal purism was scarcely required, for another rendering of "tribute" is—"the price of peace and protection," and that definition is sufficient to cover every use we have made of the word. There was the tribute openly exacted by the Romans from every subject nation wealthy enough to pay it. There is now the heavy tribute, avowedly though indirectly, levied by the Dutch from Java; and there is also the tribute, not ostensibly or statedly levied, but nevertheless real and palpable, which India must pay as the price of foreign rule. Again, if the term "national balance-sheet" be restricted to the Treasury accounts, we can, even from them, oblige the "mirage" gentlemen with rather striking negative evidence that "India pays," whilst all other dependencies of England receive payment from the Mother Country. A return, moved for by Colonel Sykes early this session, states the annual cost of the several British colonies to the British exchequer. From this we learn that in 1867-8 the colonies cost the British taxpayer about £4,000,000 sterling, of which Canada took a fourth; and that during the ten years from 1858-9 to 1867-8, over £41,000,000 had been contributed from the British exchequer for the maintenance of the colonies. The Treasury account, our contemporary's "national balance-sheet," may be searched through and through, but no debit whatever will be found

against India. This striking distinction is at least suggestive. In these times of financial discussion, it ought to induce many persons to look below the surface who never did so before.—*June* 20, 1870.

THE "TRIBUTE" IN ITS NAKED FORM.

THERE is in India no system of "interpellation" by which the Executive can be made to explain any of the transactions of the day.* If of the Viceroy's own free-will he ever bethinks him to promptly communicate the *pieces justificatives* of the current acts of his Administration, it has to be done through the cumbrous method of publishing minutes or correspondence in the official *Gazette*. This would not be a facile means of explaining the causes that have led at this juncture to the exportation of specie to England to such a large amount; but the hard fact is an ugly one, that should be softened down by such verbal explanations and plausible excuses as the Government of India may have at its disposal. This apparently bungling, wasteful, and, certainly, very injurious transaction urgently demands to be at once accounted for to the public. Were Parliament sitting it would be possible to extract some sort of apology or justification from Mr. Grant Duff; but now this immense financial operation may, for anything we now know to the contrary, be irregular, or even unconstitutional. Such is the system under which we jog along!

In writing thus, and in speaking, as we did just now, of a very large specie exportation, we took for granted that most of our readers are aware that the 40 lakhs sent from Bombay on Wednesday is not half of the total transfer of hard cash which this week is being made from income-taxed and trade-depressed India to the Home treasury of His Grace of Argyll. Bombay was not alone in the export of silver. The Bank of Bengal sent 40 lakhs and Bank of Madras 20 lakhs—1 crore in all. . . . This particular million may be wanted for interest on railway loans, and so far may represent a great material service done to the country; or it may be needed to meet the drafts of the War Office and Horse Guards for unrecompensed payments exacted from India towards expenses of "depôts" which form part of the home garrison of England. Most likely it may be fairly allocated, as in the table given in the extract we took from the *Mofussilite* the other day; but except so far as it comes under the head of interest for railway loans, it not only represents, but is literally a transfer of profits or revenues from this country. These go to increase the capital stock of England, but represent *pari passu* a direct weakening of the material resources and revenue-producing capabilities of India. It may be hoped that this crisis will impel some business men—trained in accounts and the mysteries of interest and exchanges—to take pains to trace what is really meant by the "tribute" paid to England, and to see for themselves what a depressing and enervating effect that payment has on all the springs of commerce and industry in this country. They will find that England is acting the part of the clown in the fable; she is, if not killing, at least starving the fowl which, if fairly and more wisely treated, would produce its toll of golden eggs as long as she could desire to gather them. What, if persisted in, may be the consequence of the present one-sided and wholly selfish financial policy of the stronger country it is hard to say.—*August* 12, 1870.

An Explanation that Tells Too Much.

II.—The following, which we quote from our Allahabad contemporary, is the best apology that is forthcoming for the recent export of hard cash in defrayal of the Secretary of State's drafts:—

> The late remittances in specie made to the Home Government have been the subject of—so it seems to us—a rather unreasonable dissatisfaction. It is true, as the *Times of India* has said, that this export of hard cash is a palpable proof that India is having to pay from the profits and earnings of former years, but if there was no profit margin this year, and the Secretary of State was unable to sell his bills at 1s. 10⅛d., what else

* This disability still obtains, and will do until removed by some peremptory decision of Parliament. To be put to the question in public must always be exceedingly distasteful to the bureaucratic spirit; but in equal degree is it desirable that the Indian taxpayers should have some ready and direct method of learning the drift of Executive policy, and the objects towards which it aims. The right to put questions in the Legislative Councils relating to current public affairs is one put forward amongst the practical claims of the recent National Indian Congresses.

was to be done? The first object with our Government is naturally to make the monthly State remittances in the cheapest manner possible; and, therefore, the unusual course adopted in the present instance from necessity will not be again followed unless under the same emergency. In the meantime the effect of the measure will, of course, be carefully watched.

"Watched," indeed! of course it will; the result of which can only be to show more distinctly the inexpediency, not to say the stolid recklessness, of the method adopted. In referring again on Saturday to this precious experiment in official banking (and before seeing the pitiful excuse above quoted) we remarked that the country has a right to know its author. But, as Dr. Johnson remarked on the question of the use of nightcaps, "that it shall never know." Be it sufficient that we have ascertained it is the old story—"orders from home;" not orders on questions of principle and true imperial policy, which are often enough needed, but minute, inexorable directions on matters of detail, such as the managing clerk of a merchant's firm might give to his subordinates. We believe the Government of India had not even the option of sending gold instead of silver, supposing it had been more profitable to do so. It is not the season when Australian sovereigns abound in our own market; but there is little doubt that if this small discretion had been allowed to the Indian treasury, and if some latitude in time had also been granted, sufficient gold might, probably, have been taken up, so as to avoid the palpable folly of sending coined rupees out of the country. There would also, had gold been sent, have been a considerable saving in freight as well as price; but, no, the order was—"We see you have got Rs. 2,00,00,000 more in your State coffers than ever before; send us half of that jolly 'surplus' at once; and in silver, please, mind that—coin, if no other." It is in this last item of the stringent requisition that the blunder of the operation was concentrated; and the fact is, as it seems to us, that the financial genius of the India Office thought to do a stroke of speculative business; but, unluckily, the speculation has gone the wrong way. . . . . .

It is not for sake of the paltry £10,000 that we push this blunder home—it *might* have resulted in a slight saving. We have an ulterior object in view. To revert to the demi-official apology quoted at starting, we find the piteous inquiry—if the Secretary of State could not get his 1s. 10¼d., what was he to do? Do! Why, either take 1s. 10d. as he did last week, or use up his own cash balances more closely, or—consult the Government of India before acting. That is the point to which we should like to see this incident lead up. Never since the time of that toughest and most peremptory of Secretaries, Sir Charles Wood—and we doubt if then—has there been such an ostentatious disregard of the right to discretion in the management of details which should be left to the Government *in* India. And when Sir Charles meddled with details, especially of a financial nature, it was generally to good purpose; but the Duke of Argyll, or those about him on whom he relies as advisers in financial and monetary affairs, seem to be utterly incapable of comprehending Indian taxation, banking, accounts, or exchange. Witness His Grace's astounding mistake in the matter of fact as to the Income-tax not being levied on income from land! If this incident of £10,000 to £15,000 being flung away because of a peremptory indent from an ill-informed Secretary of State becomes the means of drawing urgent attention to the perpetual interference of the India Office in administrative details, it will prove to have been a cheap sacrifice. But the fact of patronage being in the hands of the Crown, of the party Ministry of the day, is eating like a canker into the independence and self-respect of our Indian administrators. And the higher the emolument received, the more is subserviency secured by the present system.—*Aug.* 22, 1870.

WHY AND HOW THE TRIBUTE IS EXACTED:

A Plea for Justice to the Weaker Vessel.

IT was long since remarked that "the most canting kind of cant is the cant about cant." A modern instance of this was afforded the other day by a contemporary, who took an odd way of showing that "the present time *is* opportune" for discussing whether it is just and expedient that the whole pecuniary cost incident to the political connection between England and India shall for ever continue to be borne by the latter country. To maintain, as we do, that, the benefit of that connection being mutual, so the cost of it should be shared between the two in something like equitable proportion, is denounced as "cant." In one respect better measure is meted out to us than we had any right to expect: this "cant" is

characterised as "sincere," and those are said to be "philanthropists" from whom it proceeds. Now, as our upholding the proposition, that the plain principles of equity ought to be observed in political finance, can give us no claim to be regarded as lovers of men in the superlative degree, we must decline the proffered title in this connection. The application of the other term is equally a mistake. We will quote the sentence in which it occurs—"Sooth to say, the orthodox opinion [that England should defray a considerable portion of the Indian home charges] is mostly cant, and often the saddest kind of cant—it is sincere." It would be just about as appropriate to say that this opinion is—"London, man, virtue," or "ozokerit," or "anything else which exists." . . . Another mistake of some moment occurs in the sentence quoted. The opinion we happen to hold, in respect of the continuous injustice inflicted on India by the one-sided appropriation of certain revenue charges, is a very heterodox one. It is our local contemporary who holds the "orthodox" opinion, if that can be rightly called an opinion which is but the expression of a dogged determination to maintain the *statu quo*, and to thrust aside or out of hearing all pleas for fair consideration of the question. . . . . .

It is now the "orthodox" creed that India ought to pay every rupee that in virtue of any constructive argument can be charged against her revenues. She must pay for the China, Persia, and Zanzibar missions; for every brick of the India Office, which is just as much one of the public buildings of London as is the Foreign Office which adjoins it; for the Cabinet Minister who is styled Indian Secretary, though he is just as much a member of, and engaged in the administration of English home affairs as is the Colonial or Foreign Minister. Above all, India must pay every shilling of outlay that is in any way incurred in the transport of troops between England and this country, or in the maintenance of the depôts which form part of the somewhat slender English garrison, of which Mr. Cardwell makes the most when replying to his alarmist opponents and critics. There is also an old debt claimed by the retiring trading Company, forty years since, as part of the price of throwing Indian commerce open to all England, and which Parliament in its wisdom exacted—not from the recipients of the benefit, the general body of English traders, but—from this country, the produce and people of which supply the profits of which that debt and its heavy interest represent but a tithe. And though it is probable that the regular Indian national debt of £80,000,000 or £90,000,000 represents far more of commercial and political advantage to Great Britain than an equal portion of the English national debt, every practical proposal to place the former on the same footing as the latter on the money market of London and the world is scornfully rejected or postponed by dint of evading the subject. Though this is not done of malice prepense, or "criminal intent"—to quote an absurd phrase as used by an undiscriminating critic—the effect on India is a yearly outlay on interest of nearly £1,000,000 sterling more than would be otherwise needed. That these things are so—that every attempt to have the grounds of this policy looked into by our public men at home is pushed aside as an unpleasant topic, is in accordance with the "orthodox" and popular notions about the relations of India to England. Those of our contemporaries who uphold the one-sided arrangements that now obtain between the two countries have, at least, the comfort of being for the present on the side of the majority. Nothing can be easier than to defend what every one approves—mainly so because they do not happen ever to have been led to question whether the existing system is right or no. It received a heavy blow when Sir Henry Rawlinson's proposal to charge India with half the cost of the Abyssinian expedition was utterly defeated; and though we have to uphold the heterodox and unpopular cause at present, the relative positions of ourselves and our opponents may some day be changed, more especially as many of them will come over to us. Mr. Gladstone has nobly done his share towards redeeming England's reputation for political justice, so we need call upon him for no further effort in that direction. But there are rising politicians amongst his followers, such as the indefatigable Minister for Education; or Mr. Stansfeld, formerly Under-Secretary for India, but who has yet scarcely risen to his opportunities—as well as younger members of the Upper House, like Lords Carnarvon and Kimberley, "statesmen like the Athenian archon just"—from some of whom we look to obtain justice between England and India, as the commoner of our day has secured a new agricultural and ecclesiastical constitution for Ireland in spite of "blindly selfish" opposition. . . . . .

The statesman who shall frankly acknowledge the financial obligations of England to India, incurred in virtue of the political sway exercised over this dependency for more than a century past, and who shall give effect to such acknowledgment by redressing, though it

may be only partially, the long overweighted balance, will realise a true amalgamation between the two countries, and bring about a renewed union that, if we will, may endure for a period which extendeth beyond any term that can enter into the heart of the grudging and distrustful school of politicians to conceive.

It is fitting we should notice, in passing, the apology for argument recently used by one of the defenders of what may be styled the unmitigated rights-of-conquest policy. We are told that—"If India wants loans, and railways, and machines, and men, she must pay for them, just as (!) England and France and Russia must pay India for the cotton (!) and other products she sends them." And the changes are rung upon "the rightfulness of paying your debts," as if loose declamation of this kind could do anything towards settling the question of what *is* the debt between the two countries, and how far one of them is justified in shirking all pecuniary recompense for extraordinary advantages enjoyed. In the complete sentence quoted above,—offered apparently as if in triumphant and summary settlement of the whole controversy—there is only one item, that of "men," which in the remotest way bears on the political and financial questions at issue. . . . . .

As to the practical bearing of our remark in reference to the British taxpayer and his supreme indifference to Indian military expenditure and organisation, we may ask, would not this attitude be speedily changed if but the cost of the depôts of regiments serving in India had to be defrayed from the English exchequer? Most certainly it would. And could the Amalgamation blunder, with its still accumulating cost, be brought under the influence of only partially parliamentary control, a check would long since have been placed on that Court and departmental policy. We have characterised the determination to maintain the present one-sided financial relations between England and India as a "blindly selfish policy," and it is demanded that we shall explain the meaning of the phrase. This we have done times without number in every variety of statement. Let us try again in the most elementary fashion—India, whilst prosperous and thriving, is valuable to England; to charge on the revenues of India all the cost of an expensive foreign rule, is to check her prosperity, and to prevent her thriving commercially; therefore England in doing this shows a blindness to her own interests, so far as those are bound up with her political hold over India—it is clipping the wool too close, and overweighting the good steed that carries us willingly.—*Oct.* 1, 1870.

EQUILIBRIUM BY INCOME-TAX.

WE were sorry, some three weeks back, to observe that one of the loudest opponents of the Mayo-Temple levy, the *Englishman*, had come to despair of the remission or revision of the tax within the present year. Had such a surrender been general with the Indian press, our superficial but obstinate Finance Minister would have had all the triumph he could care for. His easy game would have been won, and he might chuckle to himself on seeing that success had rewarded his ignoble tactics—the screw put on through secret orders to the Collectors, a contemptuous silence on his part towards public remonstrance, "orders from home" obsequiously obeyed with substantial results to the Treasury. But Sir Richard and his pliant colleagues may rest assured that their shallow policy will not pass with impunity. . . . But this point—whether the Mayo-Temple has yet done its worst for 1870-71 on the two lower classes—is one on which current information is much needed. We shall not get it from official sources; therefore the press, Native as well as European, should adopt some systematic method to ascertain the progress of the levy, so that the public may have some idea what amount of extortion has yet to be carried out, and what disaffection and panic, like that at Allahabad, may yet be looked for before Christmas. We fear that in many districts the final turn of the screw has not yet come, that the good sense of some Collectors has yet restrained them from carrying out to the letter the infatuated "confidential" orders of the Financial Secretariat, and that the worst may yet be to come. It is scarcely necessary on behalf of the mercantile classes and worse paid Government employés to repeat the special reasons which would make even a three months' remission of the tax a boon of vast importance to them. They have efficient means of making known their claims. Just now it is with reference to the evil influence of the Mayo-Temple levy in the Mofussil and on the masses that we speak. The most alarming symptom of the blind-

ness and incapacity of the present Executive Council is that not a man in it seems to have an eye to see the *indirect* harm, the unusual political peril they are incurring by their persistence against remonstrance and as against their own financial statement. This impost comes at a time when local charges of all kinds are being increased, when the minds of the people in every province are being unsettled, from one cause or other. Never was a more wanton flinging away of progress gained, a more reckless despite of a slowly rising popular trust. Sir Richard Temple, for the sake of an artificial "equilibrium," has undone a large part of the good that all other Indian statesmen have effected since the Mutiny. Is it not worth while to check this political idiotcy even at the eleventh hour? We think it is, and trust that even yet the huge blunder may be frankly confessed and tardily repaired.—*Oct.* 14, 1870.

Manchester's Mistakes on the Subject.

II.—When, the other day, we drew a bow at a venture, and spoke of the Manchester Chamber of Commerce as having been "tempted by some busy-body to make the absurd declaration that an Income-tax is fair and equitable for India as a source of revenue," whom did we hit? Was it that redoubtable orator, our worthy citizen, Mr. Nowrojee Furdoonjee? He it was, we now find, who asked or provoked the Chamber to consider the question of the Indian Income-tax; but as Mr. Nowrojee's business was certainly not to tempt the Manchester men to declare the Mayo-Temple impost "fair and equitable," we must ask again, whom have we hit? It appears that the Chamber was asked, instructed, or persuaded to make that declaration by another of our citizens, a gentleman well known in Bombay, whose personality is revealed, rather than veiled, by the initials over which frequently appear in the columns of our local contemporary certain able and interesting letters from home. It is from one of these, more than from any other source, that we learn how it happens the Manchester Chamber has been beguiled into supporting one of the most incompetent Finance Ministers with whom India has ever been troubled. Still this does not settle the preliminary, though unimportant question—who has been hit by our random bolt, or is there any one concerned with this Manchester debate to whom our unluckily chosen epithet "busy-body" will fairly apply? It quite misses "J. M. M.," because he was in the first place "invited," and then he was "called upon" by the Chairman to reply to the representative of the Bombay Association. All things considered, if we are to stand to what is written, the Chairman at the debate is the one most amenable to our implied charge of meddlesomeness and presumption. It was proper and reasonable enough that he should call upon one citizen of Bombay to reply to another. But after hearing both, he should have arranged to adjourn the debate, so as to allow the members an opportunity to think over the matter, and give them time to reconcile the conflicting statements with which, no doubt, they would be considerably puzzled. They had a fair opportunity to revise the whole fiscal policy of the Mayo-Temple Government. To pit the Income-tax against the Salt-duty, in the abstract debating class fashion indicated by their resolution, does not advance matters one whit, and deprives their decision of all weight whatever for any practical purpose. . . . . .

Whilst it is quite true that Mr. Nowrojee went to England avowedly as an agent to oppose the financial policy of which the Income-tax is the one idea, he is—so far as we know—the only agent so sent from India. It is, therefore, grievously misleading to speak of an "agitation" being "sedulously kept up" in England "by agents representing the class on which the burden falls in India." And the persons "connected with India," who in the four months, April to July, vainly endeavoured to draw the attention of politicians to the blunders of our financiers and the impolicy of this oppressive levy, were, at least, quite as disinterested and as worthy of attention as Sir R. Temple or Mr. Grant Duff themselves.

Though the *Guardian* does not enter into "the arguments for and against the Income-tax," it reproduces the fallacy, or rather the twin fallacies, which nothing but an exhaustive exposure in Parliament will drive from the minds of the Secretary of State and his colleagues. The major premiss is that "the direct taxation of the wealthy trading class of India" is a "fair and reasonable" mode of raising revenue; the minor is, that the Income-tax reaches "the wealthy trading class;" therefore, &c. We need not for the fiftieth time show how

inadequate these are to support the conclusion. The returns of this year's assessment—even that of the Bombay Assessor for last year—will show that but a very small fraction of Income-tax victims belong to the "wealthy trading class." The same returns, if faithful, will show how erroneous is the other notion—that "only 500,000 of people besides the servants of Government" are subject to this levy. And it must be remembered that the tax must be debited with the discontent and uneasiness of tens of thousands of ignorant people, who are assessed or threatened with assessment, but whose names do not reach the final records of the collector. We may note, in conclusion, that the *Guardian* reproduces that mysterious official "property," those "Englishmen who wish for public works in India." Who are they? we ask once more; and what are the public works they want? Are these the useless barracks built out of current revenues, squeezed out of the life-blood of the country, the tithe taken from the green ear instead of from the garnered grain? Or are those works—demanded by mythical Englishmen—costly and ill-contrived harbour defences or "Northern State railways," of which the capital of the former and the interest on the latter must be wrung from the same precious circulating fluid? These queries must be partly answered in the affirmative, but "the Englishmen who want" *these* public works are the very men who are forcing the Income-tax on the country, and who thus check its progress at both ends. We also want public works, but of the kind and on the principles described in Mr. Wm. Fowler's admirable letter in the *Economist*—a document, the publication of which will, we trust, form the tidal mark of the stupid economy and wretched financing which has "saved" by stopping works that the country urgently needs, and is pushing on others that it did not need, by dint of mulcting the ready money of the merchant, and indenting on the scant stipends of the clerk, the small shopkeeper, or the artisan.—*Nov.* 1870.

Fiscal Fractions and Rigid Uniformity.

III.—Amidst all the rumours as to the rate at which the Income-tax is to be levied next year, or whether it is "to be" at all, we may as well "put in our oar." The *Englishman*—though itself desiring the total abolition of the tax, on the ground of the "general dissatisfaction" caused by high rates and low sweep—says that "an announcement will shortly appear of the practical abolition of that obnoxious impost." It appears that the interpretation of "practical abolition" is, reduction "to a minimum rate;" but what is that? Some few weeks back, the *Delhi*, or one of its correspondents, represented that the Finance Minister and his Secretary were wrangling over the question, what rate the lieges could, or would, stand next year. We believe Mr. Chapman's bid was alleged to be for 1½ per cent., and Sir Richard's for two; but this guess failed to indicate the arithmetical nicety of the great financier's mind. There is reason to believe that some time before these guesses appeared, the provincial administrations were asked, by circular, what they thought of $1\frac{9}{16}$ per cent. The other day Sir Richard hinted darkly at "a plan" that he threatened to be maturing. Did its adoption or rejection turn upon that precious sixteenth per cent.? Some old Bombay firms yet retain in their accounts the denomination of a certain diminutive obsolete coin called a *rae;* 25 raes = 1 anna. Well, this sixteenth per cent., on which the Finance Minister has set his heart, is equal to one-quarter of a rae! Who will rashly say that the world is "financed" with little wisdom, when they consider for a moment how many headaches must have been endured by the tenants of the Currency Office before that minute sub-division was determined upon? In his 1859 Statement, when justifying the imposition of the one per cent. rate, Sir Richard, ever skilful and admirable in phrase, laid down the proposition—"It is desirable not to ask the country to bear even a fraction weight of burden more than can be proved to be indispensable." The glaring and blundering neglect of this principle, by himself and his colleagues, has caused more heart-burning in the cities of India, more hardship and dismay amidst its patient mofussil multitudes, than he can atone for by the development of any "plans" he is ever likely to produce—if, for the sins of this land, he should be allowed to remain Finance Minister during the rest of his term of service. But it is instructive to consider that one-sixteenth. . . . What can be expected when such men, from their remote perch at Simla, or or their "ceiled houses" at Calcutta, frame schemes of taxation affecting the masses of society, of which they cannot comprehend the incidence and the scope? So little does Sir Richard Temple understand of real district work, so little does his experience enable him to

realise the mischief that his fiscal ukase of last April has inflicted on the State, that we quite expect the rough draft for his next Statement already comprises a paragraph consisting of an elaborate and long-drawn-out chuckle over the large sum that the tax has realised! . . . . . .

We suppose that the frame-work of the tax will be maintained, however low the rate may be. A few little extravagances, like the Admiralty jobs recently invited, or two or three old claims written off as bad debts, will suffice to afford some superficial basis for theoretical justification of maintaining the one pie or one per cent.; but so long as the same nominally uniform rate is levied in Bombay Presidency and in Bengal, on the ryotwari and the zemindari districts of Madras, so long is this tax severely inequitable and oppressive to large portions of the country. As to the rumour about permission being given to local administrations to levy an income-tax in their own districts, we may say more when we know more. For the present, the suggestion looks very like an attempt to cast derision on the principle of decentralisation, and intended to render odious the first step towards the practical development of that method of financial reform.—*Dec.* 16, 1870.

PUBLIC WORKS FINANCE:

The Common-Sense of the Matter.

THERE can be little doubt that the distrust that obtains amongst half-informed politicians at home respecting Indian finance is due mainly to the hopeless misunderstanding that arises from their comparing the statement of the Indian Minister with that of the Chancellor of the Exchequer, and speaking of both balance-sheets in the same terms. . . . But there is, at last, some hope of a turn in the tide at home. In sending to one of the most influential weekly papers his excellent letter on "Public Works in India" (which may be read in another column), Mr. William Fowler, member for Cambridge, has, so to speak, turned the first sod of the new way of which we have spoken as being needed to get practical notions of Indian finance into the minds of the average Parliament man. The easy-going *habitué* of St. Stephen's is naturally bewildered with the oft-reiterated mention of the chronic deficits in India, and he instinctively calls "Hear, hear," meaning "Tax 'em, tax 'em," when Mr. Grant Duff informs the House that His Grace had sent out stringent orders to bring about "an equilibrium" at any cost. Mr. Fowler's letter will explain to those applauding senators what is the effect of the ignorant policy they so hastily approve while longing to escape to the country and the moors. It is the extravagant system of constructing new and permanent public works out of current revenue that he denounces, and also the fiscal oppression which is the inseparable result of such an absurd course. He thinks the Income-tax is slightly more defensible than the Salt-tax; but, the supposed need for the levy of one and the increase of the other he describes as a "natural consequence" of constructing new works out of revenue. And he asks—"On what principle can it be right to charge on the poor people of India a tax on their salt, because the Government thinks fit to make roads or bridges, or such like works, which must either be of permanent value or ought not to be made?" He then gives the total revenue for each year of three, 1867-8-9-70, deducting expenditure on public works out of revenue, but retaining the charge for guaranteed interest. He thus shows that, according to the way in which nine-tenths of his fellow-members understand a budget, India had in each of those years a *surplus* of £4,000,000. He adds: "Thus we see that, were public works paid for as they are paid for here, there would be no ground for that financial despair to which readers of Indian Blue-books have so long been accustomed. These figures certainly show the vast importance of the subject."

Certainly they do, for those who have ears to hear; but—as Mr. Fowler says in a former paragraph, after describing the rational course adopted at home in raising funds for public works—"all this seems so simple that one is almost ashamed to repeat it." Simple though these propositions are as the mere A B C of financial management, India is blessed with a Finance Minister who, though "raised" in the country, cannot comprehend the bearing of those principles. . . . As Mr. Fowler says, "every one admits that all charges for repairs must be paid out of revenue," and probably he would insist on rigorously debiting to income every item for renewals and maintenance. These, with all the charges for interest, would amount to as heavy sureties for economy, or as a drag-chain on current

revenue, as the greatest purists for true economy could desire. The member for Cambridge does not shrink from admitting that "facility for borrowing has in some cases induced carelessness in spending;" but he adds, "this inconvenience is deemed to be far less than that of paying out of the revenue of a single year." The true remedy for that "carelessness" is not to tax the industrious revenue-making population, but to denounce, expose, and check those who waste or misspend the resources of the nation.

Another point made by Mr. Fowler, and one that demands urgent attention in our ordinary public works administration, is the grievous waste that arises from buildings, roads, and railways being kept so long in hand—expenditure on the first stage of many works being comparatively useless until the whole is finished. Our splendid economists who lost their heads in the panic of September 1869, have many lakhs of utter waste to answer for, because of their ill-considered stoppage of nearly all works in progress. Whether a saner view of this great public question has yet obtained amongst the Olympians we have no means of knowing; but we may very suitably repeat Mr. Fowler's words, and say "We protest against a mode of payment for new works in India which would be scouted in England, the only reason why it is endured being that the people of India are not represented in the Imperial Parliament." Why do not they get themselves better represented there? Many constituencies who are sick of Whig and Tory would welcome a candidate whose long experience would make him an authority on Indian topics.

CURRENCY: SMALL NOTES AND SUBSIDIARY GOLD COINS.

A FEW weeks since we took occasion to refer to the continued neglect with which the small note and gold currency questions—long since virtually settled—have been treated by the Finance Minister. It seemed to us that Sir Richard Temple's unfitness for the office he holds is shown in these smaller and more obvious sins of omission as distinctly as in his glaring misapprehensions of the higher branches of Indian fiscal and economic administration. The other day, in introducing the Government Paper Currency Consolidation Bill (consolidation is a hobby of the day, which needs to be strictly watched), Sir Richard himself furnished a striking confirmation that our criticism on his smaller failures was just. Though this little Bill is a measure that may affect the currency and the treasury balances in a variety of ways, he was only thinking of "consolidation." As to currency, his thoughts were far afield. The Hon. Mr. Bullen Smith, on the contrary, had been thinking of the subject matter with which the Council was asked to deal, and very suitably addressed himself to it, apparently raising what should have been a good, broad discussion on the policy and methods of our currency system as a whole. But the Finance Minister "had not come prepared to discuss the subject"! He admitted that it was "occupying his close attention;" and, also, that several of the topics referred to by Mr. Bullen Smith—who was unreservedly supported by the other mercantile member, Mr. D. Cowie—were "under consideration" in the Financial Department. And Sir Richard went so far as to avow that he coincided with the views urged by the two mercantile members. This avowal took the form of a plaintive confession—an echo of what all the world has been saying for twelve months—that the Finance Minister is not strong enough for his place. Just think, for a moment, what is implied in the Councillor who ought to be the most influential member of the Executive, telling the public, that "if he could only have his own way, we should see what good things he would do"! Does not this casual remark throw a striking light on the evil courses followed by the Finance Minister—the reckless taxation, the utter subserviency to extravagant current expenditure dominated by the Horse Guards and other irresponsible home authorities, the scornful disregard of public opinion in India? . . . . . .

But it is of the smaller and much more practical questions of issuing five-rupee notes and gold coins of five and ten rupees value, that we have to speak in connection with Sir Richard Temple's confession of incapacity. As to the five-rupee notes, there is not a shadow of an excuse for their not having been issued any time these four years—that is, since the report of the Currency Commission of 1866 was published. Amidst the cloud of replies elicited by the universal inquiries of that body, there was not, so far as we remember, a single dissentient from opinions similar to those again unavailingly put forward the other day by Mr. Bullen Smith. If we are not under mistake, Sir Richard Temple was himself a member of that Commission. . . . And yet we have the Finance Minister, of all men, coming forward to invent excuses for interminable fumbling which deprives the country of a popular

paper currency! When Sir Richard says that "if the ten-rupee note had not reached the poorer classes, then one-half that value would not be more likely to reach them," it is simply impossible for ordinary mortals to comprehend him. The ten-rupee has very largely reached the "poorer" classes on this side of India, and pretty generally in other Presidencies. It has not reached the *poorest* and most numerous classes anywhere; but there is every reason, drawn from experience and analogy, to show that a five-rupee would reach the substratum, and thereby establish the note system and the credit of the *Sirkar* on a broad popular basis, that would not be disturbed by anything short of a political earthquake. Panics and manias, famine or prosperity, cause the line of circulation marked by the Rs.1,000 note to vary with undulations like billows of the Atlantic; but the datum marked by the tens is steady as the stream of a perennial river, varying only in the direction of increase by virtue of the gradual advance of the system amongst the artisan and small trading classes. The issue of five-rupee notes is originally needed to bring our paper money within reach of the smaller ryots, the coolies, and domestic servants—in favoured districts where the pretensions of this latter class are much more modest than amongst the *nokra logue* of Bombay. There is no room to doubt that in less than three years the number of five-rupee notes in circulation would be three times the present number of tens, and, at a minimum estimate, would form, by so much, a clear addition to the whole currency circulation, metallic as well as paper.* When Sir Richard Temple came to apologise for the non-issue of the five and ten rupee gold coins, he had a somewhat more plausible excuse for referring to the conflict of opinion amongst currency doctors. But this, again, is only an excuse for gross neglect both on the part of the Executive Council generally and the Financial Department in particular. The Commission already alluded to, in full view of the undeniable difficulties of the subject, and in spite of the impatience of extreme theorists, who would by decree force on the country a gold standard and the English sovereign, had arrived at a sensible practical conclusion which would unsettle nothing, but might facilitate the transition from a silver to a gold basis whenever the time should be ripe. This was, in brief, to issue gold coins of five, ten, and fifteen rupees each on the basis of the existing tola rupee of 180 grains troy. The one fatal gap in their proposals is that they hesitated to recommend that these coins be declared legal tender; but, we believe, the Executive possess the requisite statutory power to take this step at any time. . . . There is one change which would at once bring to India as much gold as our currency could absorb at the rupee standard rate—that is, the production or the partial manufacture in India of some article that would be largely consumed in the Southern continent. If we can send the Australians any article that will employ outward freight from India, the cost of gold here would immediately be brought within the limit required. But until we have a Finance Minister who shall show some adequate conception of the economical and commercial necessities of India, all our natural advantages and the favours of fortune may be neutralised or thwarted. . . .—*Dec.* 21, 1870.

Try the French Methods.

II.—It may raise a smile in some quarters if we turn to one incident amidst the terrible monetary difficulties of the unhappy French people, and seek to draw from it a suggestion that might be utilised in Indian currency management—if we really had a Minister of Finance. In another column we give an extract from the *Economist*, in which a summary is given of the different methods by which a small note currency has been arranged for and adopted in many of the departments of France. It would not be difficult to trace out some striking analogies between the abnormal condition of France now, when its ordinary currency has disappeared, and the usual condition of the Indian mofussil, where, between the copper pice of the ryot and the large notes or big money bags of the *soucar*, there is scarcely any "circulating medium." If there are any debateable Indian questions that have been finally settled—having been thrashed to shreds by controversy, and are only awaiting the firm hand of practical good sense—it is those which point to the

* At last, in the year following, the five-rupee notes were issued; and in 1872 the value in circulation was Rs.13,76,995, which in 1878 had increased to Rs.20,80,315. Though the increase was not so rapid as estimated in the above article, the circulation of these small notes has been steadier and more numerous in proportion than that of the larger denominations. The aggregate circulation of the Indian paper currency has not extended as was expected. In the year 1871 the total value was Rx.16,370,360; in 1887 it was a little under Rx.14,500,000, though four years previously it was over Rx. 15,000,000.

introduction of five and ten rupee gold coins, and the issue of small currency notes at least as low as five rupees. In the way of the last named expedient there is no impedime t except that of downright stupidity or indolence. There are, indeed, certain superficial difficulties in the way of issuing gold coins on the basis of the rupee, but they are readily appreciable, and could be almost as readily overcome. Now, if Sir Richard Temple knows anything about currency business, he does understand these two questions; and he regards them—or, at least, used to do before he went to reside in the Currency Offices at the public expense—from the point of view indicated in our remarks. . . . . .

There are, at the present time, peculiarly strong reasons for bestowing attention on any suitable measures for making our Indian currency more expansive and mobile. It is as true now as at any other time when we have had occasion to affirm that fact, that India, as a whole, is exceedingly poor in floating capital—in money. But at present, in the presidency towns, there are stores of that commodity and "requisite of production," apparently, much in excess of the present demands of trade. It might be instructive to trace out the explanation of this anomaly. Some passages in recent letters by our Calcutta correspondent may serve to suggest directions in which inquiries on this subject would be profitable. That the congestion is only temporary we may feel sure, though, as yet, the remedy does not loom forward through the perplexities of ordinary commerce. We only refer to the circumstance of "money" being "plentiful" in the chief cities of a poor country, by way of illustrating one of the great commercial wants of India. Every one can see that, if our internal communications were complete, so that produce could be moved freely and cheaply up and down and across this great peninsula, then the wealth of India would be doubled at once, and quadrupled very soon. Somewhat for the same reasons, though not, of course, to anything like the same extent, would the wealth of the country be enhanced by largely increased facilities being given to circulation amongst the masses of the authorised currency. Not only is enterprise cramped in the Indian mofussil by our clumsy, because exclusively silver, money, but we believe the welfare, if not the very subsistence, of the cultivating and artisan classes is seriously circumscribed for want of a more expansive and more freely circulating currency note system. This, as it took effect in the larger towns, would drive out the rupees into the villages; and the small notes—two and five rupees—would gradually follow them, to advantage of both State and people. We would, therefore, commend the small note movement in France, as interpreted by the *Economist,* to the attention of Sir R. Temple, if it were any use suggesting that *he* has anything to learn. As it is, we can only trust that this and weightier matters may attract the attention of thoughtful and practical men.—1870.

THE DECENTRALISATION POLICY DISCLOSED.

OWING to the suppression of all Minutes and other State papers, in which the tentative scheme of federal finance has been worked out, it is almost impossible to trace the principles on which it proceeds, or to know where to commence its examination. The *Englishman,* we observe, leaps to the end at once, and accepts the decree of December 14th as a parliamentary charter and a reform bill for the Indian Councils. The three Legislative Assemblies of Calcutta, Madras, and Bombay are to become the arenas of debate; and, according to its wont, the former city at once puts in its claim for more talking power, and, if possible, votes, whereby the ruler of Bengal and his satellites may be put in a minority in a division on the budget for "Provincial Services." In the penultimate paragraph of his great resolution, the Governor-General, in somewhat lordly style, washes his hands of responsibility; but we presume he would scarcely be prepared to see Mr. George Campbell "cornered" by a majority in the first division on the vexed questions of cess and local taxation in Bengal. No; the new measure will not carry us much further towards parliamentary forms, but it will do a good deal to compel increased publicity as to the disposal of public money and the management of affairs in respect of which ordinary observers can form a safe opinion. But it was not intended, and is not likely, to lead to any extension of popular power in the Western meaning of that term. It is to the local Governments that His Excellency "delegates" a "large additional share of administrative power;" and this is a great and practical advance if it be honestly and fairly worked out. We trust it will be; but after the atmosphere of grasping and bickering that has corroded the cogs and cranks connecting the Supreme and Local Governments, there will need the

constant application of a good deal of that bland and lubricating oil which Earl Mayo has sought to infuse into the ukase of last month. The freedom to distribute a certain fixed amount amongst five local departments will, in many instances, only change the venue of contention. . . . . .

The Supreme Government, because of its strong provincial bias, is incapacitated from framing an equitable measure of federal finance; and the Indian Council is, if anything, still less likely to see that the time has come, or is coming, for a thorough examination and readjustment of our inter-provincial financial relationships. In such an intricate and formidable task we must be content to hasten slowly. The present superficial and mere clerkly contrivance deserves welcome if merely because it breaks ground. It affords also another argument pressing for the appointment of the Select Committee of both Houses on Indian affairs, and for making the instructions to that Committee as wide as practicable. It is only before an independent and wholly disinterested tribunal of a dozen commoners and peers that the "Provincial" administrations of India have any chance of fair play.—*Jan.* 6, 1871.

THAT POLICY GRUDGINGLY OPPOSED.

II.—It might be plausibly contended by a sophist, desiring to defend our Indian rulers in withholding their best thoughts from the public for the longest possible period, that the practice has its advantages. It compels a perverse and impatient generation to spell out great questions for itself by dint of laborious guessing and industrious groping after first principles. When such a paltering excuse—and it is the best we can invent—shall be put forward to justify the course taken in withholding from the public the long series of able State papers of which the "Provincial Services" resolution is the outcome, we shall know how to deal with it. In that document we have shown us the gilded pinnacle; but where is the broadly based and well-proportioned edifice which it surmounts? Leaving that query to be answered by time, and the same solvent to test whether "Dutch metal" has not entered largely into the burnish of the said pinnacle, we proceed to pick up, wherever we may find it, instruction as to the architects' design. Some little may be gleaned from a brief, unpretending article in the Calcutta *Examiner*. This is mainly because, as we perceive, the writer has, at some time or other, gone throughout the initial set of papers in which were broached and first discussed the proposals for relegating some portion of financial power and responsibility to the provincial administrations. The writer still inclines to the views then stoutly maintained by Sir John Lawrence, and supported by Sir Henry Durand, who both, especially the former, revealed their ineradicable distrust of the provincials wherever money may be concerned. They declined, in more than some superficial respects, to yield an inch of that unquestioned control and final responsibility which they regarded as inseparable from the functions of the Supreme Government. To give the inch was with them to surrender the ell; and they maintained the conservative resistance against the majority, the opinions of which were ably set forth by Messrs. Massey and Maine, and backed by Sir William Mansfield in one of his cleverest minutes.

The Calcutta writer in the *Examiner* appears as if he were congratulating himself that the sturdy opinions of the conservative minority of 1867 have availed to divest the new measure of what they deemed its fatal tendency. He rejoices that though "there was a danger of decentralisation, that danger has been avoided." Therefore, though the central bureau has given up its primary and immediate control of £5,000,000 sterling, or one tithe of the whole revenue, we are to understand that the right of supervision still retained, and the power of veto somewhat ostentatiously paraded in the December resolution, will suffice to maintain, or—after a brief indulgence granted the provincials—to reintroduce that rigid and arbitrary interference by the Olympians which that ukase professed to remove for ever.* . . . . . .

The grand and as yet insoluble difficulty that exists in Madras is the same as that which deranges the inter provincial finance of all the rest of India—a difficulty which Earl Mayo and his colleagues have wholly ignored. There are in Madras certain extensive

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* This arbitrary interference was literally exercised when, after a dozen years' enjoyment of local control, the provincial Governments were made to yield up the surpluses and increases from the small revenues they had thriftily administered. This reactionary course was taken, under a cloud of sophistical apologies, to fill up the deficits caused by the Supreme Government's military expenditure and reckless trans-frontier policy.

districts, more especially in the northern portion of that Presidency, where the one proper resource of Indian rulers, the surplus rent, was long since made over to zemindars or other unproductive *rentiers*. There, as in Bengal, the cultivators have been rack-rented up to the capacity to keep body and soul together; and the effects in those districts, of the "rather violent efforts to create a large local fiscal revenue," may readily be guessed. Lord Napier knows those wretched districts well. When in the famine of 1866 Sir Cecil Beadon and the Calcutta Board of Revenue were asleep, His Excellency went into Ganjam and other zemindari districts to see for himself the condition of the miserable population. But when, at a later period, he and his colleagues displayed so much zeal in developing local fiscal resources, they bent their attention almost exclusively to the ryotwaree districts, where, though the ryot is not protected by a long settlement as in this Presidency, he has in most seasons some margin of profit and life on which "the rather violent efforts" of local funds developers may work with comparative impunity. The respective conditions of those "two nations" in the Madras Presidency was, some time since, set forth in a small pamphlet by one Mr. Willix, who describes himself as "a ryot." Though he did not, perhaps, bring out the facts and contrasts so forcibly as a skilful revenue Secretary might have done, his statements and the official documents he quotes are sufficient to throw very striking light on the peril that may be incurred by forcing through a measure of decentralisation on the basis of existing inequalities. We cannot reiterate this view too often, for the Calcutta bureau refuses to look on that side at all; and unless the one Bombay member should put out all his strength, an all but irremediable mistake may now be made. Whilst we thus lift up the voice of warning against an inequitable arrangement affecting provincial taxation, it must not be supposed that we relax in our conviction that a just and intelligent redistribution of revenues is urgently called for.—*Jan.* 9, 1871.

Provincial Inequalities Aggravated.

III.—There is one simple, straightforward method of testing whether the recent grants for provincial services are adequate and equitable, as between the different provinces, which, though we have familiarised it to our own readers, may suitably be applied once more to the "permanent settlements" under the December resolution. We republished about two months back, under the title "The Other Side of Decentralisation," a full table (taken from our paper in March last year) in which the revenues really produced by the three Presidencies respectively were compared with what is equitably to be expected from them on the basis of their several populations. This calculation was drawn up with reference to imperial taxation. It showed that Bengal falls short of its proper contribution by nearly £3,500,000 sterling; and that, because of such deficiency, Bombay pays £2,500,000 in excess, and Madras over £500,000. Now, with regard to the present grants out of the central fund to which Bombay has to contribute so unduly, the calculation on the basis of the revenues which the several provinces do really raise for themselves is a simpler matter, but will, we think, prove still more condemnatory of the grants now arbitrarily shared out. These are for "provincial services;" therefore, the question is, what are provincial revenues? That is, what portions of the whole funds hitherto claimed by the Supreme Government are those on which the provinces have a first claim, and which, on equitable fiscal principles, essentially pertain to the provincials themselves. The assignment of certain paltry receipts is merely a matter of convenience, and is in no way referable to principle at all; indeed, it might fairly be contended that the only item of revenue proper which the list contains, that of "registration," is strictly an imperial one.

The readiest method, and for all practical purposes the most distinctive and correct principle to follow in differentiating imperial from provincial revenues, is to mark off those two or three obviously belonging to the Empire as a whole, though because of peculiarities of soil or geographical circumstances, they are raised or collected in particular parts and Presidencies, but are either paid by consumers generally all over India, or form, clearly, a sovereign appanage like the royalty of mines or the profits from coinage. This last, however, as well as registration, we shall let go in to the provincial revenues, partly because while small in gross amount, they are in good degree due to the activity of the commercial communities in which they are collected. We shall, therefore, as before, deduct from the gross amounts of revenue collected in each presidency or province the three large items of Opium, Customs, and Salt, showing the residue that remains as existing provincial

revenues, which afford the proper factor wherewith to compare the grants given for provincial services. The total gross revenue (exclusive of military and public works receipts) raised in India during the twelve months ending December 31st amounted to £50,768,335—which, by the way, according to the proportion of increase borne by 1870 to 1869, would promise fully £51,750,000 for 1871. In this comparison we must necessarily accept the net assignment to Bengal—£1,168,592—as the standard of adequacy.

What, then, is Bengal's provincial contribution? We enter the total collected in that Presidency during 1870, and deduct from it the three imperial items aforesaid, the proper proportion of which goes to pay for Bengal's obligations on imperial account. These are the particulars :—

Bengal gross revenues			£16,123,140
Opium	£5,473,078		
Salt	2,595,926		
Customs	1,131,809		
		9,200,813	
Bengal provincial revenues			6,922,327
Bombay gross revenues			9,896,345
Opium	2,474,106		
Salt	721,556		
Customs	808,406		
		4,004,068	
Bombay provincial revenues			£5,892,277

But if

Bengal.	Provincial Assignment.	Bombay.
£6,922,330	: £1,168,592 ::	£5,892,270

We make the quotient of this sum in simple proportion to be £994,700, showing a deficiency in the grant to this Presidency of £114,625. Now we do not see how this argument from comparison is to be met. If 116 lakhs is a proper sum to allot to Bengal for its provincial services in virtue of the provincial revenue which that Presidency produces, then 88 lakhs is much too little for Bombay. On the other hand, but on the same basis, if 88 lakhs is a fair acknowledgment of the large revenue raised by Bombay strictly within her own borders and at her own sacrifice—by far the largest revenue per head in India—then 116 lakhs is much more than is due to the eastern Presidencies. If our provincial revenue of 589 lakhs merits an allotment of 88 lakhs, the utmost that can be claimed in virtue of Bengal's 692 lakhs is a grant of 103 lakhs. The new Lieut.-Governor appears to be satisfied with his portion. And he has good reason to be. . . . . .

Such are the curious results of decentralisation or federal finance by rule-of-thumb, which is a totally different thing from that conception which the *Economist* (just to hand) has deduced from Mr. Grant Duff's "pleasant illustrations" of Indian finance—a creation of "many Indias for financial purposes, each with different revenues and different expenditures." We do not deny that this would be an *avatar* such as India desires. Such a scheme which the Under-Secretary has expounded at home is like a transcript from the large polity of Brobdignag; but the December resolution savours of the training and politics of Lilliput. While we acknowledge there is a glimmering of principle in the selection of administrative departments turned over to the care of the provincials, it cannot be admitted that there was any necessity, in doing this, to set up an obnoxious financial inequality, or to stereotype the existing fiscal injustice. This has been done, but from the first it must be understood that the present arrangement cannot stand. It is in an inverted order. Some regard must be had to the sacrifices which each province is now making to support the imperial revenue; and, as we have shown, the fiscal productiveness of Bombay itself has been utterly disregarded. Again, we have yet to learn how, under the larger portion of the grants, the really provincial wants of Bombay have been served. Of the 88 lakhs given this Government to administer, more than 29 are for public works. What proportion of these, on which the corresponding sum was expended in 1870, are for civil buildings for semi-imperial purposes required by the metropolitan position of Bombay, and for "miscellaneous" works of a semi-military character, or such as are inevitably needed by the great port which serves more than one-third of all India? However the case may

stand from this point of view, it is a grievous wrong that, after receiving from Bombay "provincial" revenues in fuller tale than from any other part of India, the central Government should compel this Government to tax its subjects for provincial services. Our own revenue officers could do that effectually without this extraneous and needless stimulant.—*April* 4, 1871.

Revived Transit Duties.

IV.—The December resolution was to do wonders in the way of developing local government and evoking public spirit amongst taxpayers. Perhaps it may eventually lead to these blessed results; but, in the meantime, it will have a contrary effect, so far as entirely to undo the influence of Sir John Lawrence's admonitory decree issued in 1868 against the rapid extension of town duties and *octroi*, which had then, as the Calcutta Chamber of Commerce showed, raised up serious obstacles to inland traffic. By that wise resolution—issued under Sir R. Temple's authority—a check was given to the insidious movement under which an imitation of the old transit duties was steadily growing up, and which had nowhere been more rife than in Nagpore and the towns under that capital. But under the pressure of decentralization, we are drifting back towards the vicious system of tolls and taxes at the gates and on the roads. This time the N.W. Provinces are prominent in this reaction towards mediæval fiscal policy, as we are reminded by the sight of a magnificent page of foolscap, headed by the lion and unicorn—one fighting for imperial, the other for provincial taxation—and published "by order of the Honourable the Lieutenant-Governor, North-west Provinces." . . . . . .

Long before the famous Allahabad debates on provincial taxation took place, a general ukase had been issued from that seat of Government, authorising the levy of these charges not only on piece-goods, garments, and metals of every kind, but on food, and almost every article that could be enumerated. . . . . .

Of course, it is well understood that these are only taxes on consumption. We dare say there are in Sir William Muir's territories elaborate rules providing for the return of town duties levied on goods that may not have "broken bulk," or have only passed through *en route* to another market. That statesman would shudder with undissembled aversion at the bare idea of the odious transit duties being revived under his administration. But there is a danger, nay, a certainty, of this. If any experienced district officer will take the pains to trace back the various manufactures, both "Europe" and "country" goods, purchased by the bulk of the people, he will find that a large proportion of the articles have passed through a series of *octroi* towns, in each of which the one and a-half toll has been levied. The aggregate of these tolls, together with the same taxes on the food supply of the dealers and carriers, go far to nullify our boast of internal free trade, and must do very much to check that dissemination of small lots and cheap goods which are so urgently needed by the peasantry and all persons of small means. It is high time the Resolution of 1868 against Town Duties should be republished, with additions up to date.—*June* 1, 1871.

THE ROOT OF INDIA'S FINANCIAL DIFFICULTIES:

One Remedy Suggested.

WE have to congratulate Calcutta, because its political spirit has survived the assurances that the Income-tax is to be abolished, or nearly so. The "Petition to Parliament" (copy of which appeared in our columns yesterday), praying, *inter alia*, for "a more statesmanlike and economical administration of the ordinary revenues of the country," is one that has the good old English ring about it, and is in many respects well worthy of a community in which British merchants freely take the lead. Though originated in Calcutta, this movement is by no means a local one. The petition, as would be observed, is superscribed as from "inhabitants of British India," and we understand it has already received many signatures in other towns and cities of eastern and northern India, in addition to those subscribed in the capital of Bengal. . . . . .

It is a mark of increased political thought in the commercial community of Calcutta to notice so much attention being given to that skeleton in the financial closet—the Home charges. If the petitioners' zeal in the public service does not wax cold when the Income-tax blister shall have been mollified, the Calcutta mercantile men may find, on due investigation,

that more than speculation, over-production, or all other purely commercial causes combined, the depression under which their trade has languished—while the safes of the Bank of Bengal are full of money waiting to be employed—is due to the pressure on consumers and producers in this country caused by the Home charges; expenditure out of current revenue on unproductive or very slowly remunerative public works; and enormous military charges; and that the most impoverishing of all these is the first. The pressure on our industrial resources caused by the last of these burdens is in great measure included in the first, while most of the outlay on public works, though withdrawn from immediate productive purposes, remains in the country, and gradually returns to the channels of trade. It may be regarded as a good beginning for Calcutta that her public men have put forward a claim on behalf of "the people of India" to be furnished with a full account of the disbursements made on their behalf in England; but this is only a step. This clause in the petition will be met by the Secretary of State pointing to the "Home Accounts of the Government of India," which are regularly issued to Parliament. The rejoinder to this will be a reference to a certain good line in the petition asking that "a power of practical control (over those charges) shall be vested in the Government of India." Of course the question arises, would this Government exercise such control—does it now courageously exert such power as it possesses? We fear not. The Indian Council at home is supposed to supply the place formerly occupied by the Board, ironically designated, "of Control;" between it and the Simla Executive the Secretary of State, or his irresponsible subordinates, get pretty much their own way. This being the state of things at present, the petitioners make a strong practical point when, speaking with just confidence as mercantile men, they call attention to the extravagant quantities and heavy cost of "stores" purchased for Indian account at home, and to the delay and irregularity in supplying them. But these two heads of complaint in respect of the management of the Home charges, though very proper to be preferred, only touch the surface of the subject. Before Parliament meets another year, we may hope that the leaders of public opinion in Calcutta will be prepared to go to the root of the matter, that they will be ready to demand the reason why the charge of maintaining the connection between India and England should be wholly borne by the weaker and poorer country, and to ask how long the present inequitable drain of capital is to be kept up. Such an inquiry in their hands might lead to large and continuous reform in Indian financial administration, which can be obtained in no other direction. If, as Lord Lawrence has proposed, India should be relieved of all charges for troops not actually in this country, the cost of transport also being paid by those who really control it at home, the position of India in Parliament would be altered in a single session. It may be considered a low motive to bring into play, but such is human nature. When the British taxpayer found that his pocket was being touched, he or his representatives would discover a wonderful interest in resisting schemes for unproductive expenditure in India, and very useful zeal in supporting the efforts of the public here in checking the growth of establishments, and in protesting against the maintenance of a military system, the cost of which is in reverse ratio to its efficiency.—*Feb.* 7, 1871.

DECENTRALISATION AS APPLIED TO BOMBAY.

SIR SEYMOUR FITZGERALD'S address on laying his provincial budget before Council was in every way suitable to the occasion, but it was necessarily restricted in its scope. Had he kept his audience another hour, that time might have been usefully occupied, after the manner followed by the Lieut.-Governor of Bengal, in close comparison of the amounts expended in former years on the several services to be dealt with. Possibly the President wished to leave to the Chief Secretary and the Revenue Member of the Council opportunity to explain in greater detail what are the minimum necessities of this Presidency in respect of police, sanitation, general improvements, and smaller public works. Between these two members—one speaking from recent knowledge, the other from ancient experience—the Council and the public may yet hope for much information on these subjects of every-day administration. The whole field is familiar enough to them. They may, indeed, feel that anything would be trite that they may have to tell about—the number of police in particular districts, and their rates of pay; the position and claims of various collectorates as to water supply for villages, irrigation, and roads; the varying value of money in different parts of the Presidency as measured by the rate of labour, the prices of produce, and the greater or

less command of markets. Though all these things are spread out clear as a map before the mind's eye of the Chief Secretary and Revenue Member of Council, the present is a time for them to condescend to the ignorance of the general public, who are, indirectly, asked to accept the "provincial grants" as fair allotments, and to give their assent to certain fiscal experiments, the success or failure of which must depend on a host of circumstances with which even the "additional" members must be but imperfectly acquainted. But beyond these matters of detailed management in the mofussil which make up so large and so vital a proportion of our administration, there is special need just now for full explanation in regard to public works' development and expenditure, which are proceeding in four or five different grooves of administration. . . . . .

The outside world are fairly curious to know by what stages His Excellency and his colleagues became reconciled to the inequitable measure meted to this Presidency. It would be very useful to know what is behind the significant remark by the Hon. Mr. Tucker—"I was averse to accept the measure both on account of its extremely limited scope and the many patent defects which were apparent in it." No member of the Council is better able, none so well placed as Sir Seymour Fitzgerald, for vindicating the financial position of Bombay in the Indian system. He is as yet free from responsibility for such extravagant or abortive schemes as the Italian palace at Gunnesh Khind, the Hydraulic Lift, the Moody Bay desolation, the Prongs Lighthouse, or the numerous "standard" barracks which have been inflicted on this Presidency. We criticise as freely as any Calcutta writer the officials or departments responsible for waste of public money. For two reasons it is entirely beside the mark to thrust forward the expenditure account in reply to pleas for financial justice to this Presidency. First, because the Government of India itself and the Secretary of State are jointly responsible with any local authorities here for such misdirected expenditure as that to which we have referred; second, the basis on which grants to this Presidency should be calculated is its revenue-producing capabilities compared with those of other provinces. Sir Seymour Fitzgerald is bound, sooner rather than later, to insist on justice being done to this Presidency in this respect. No amount of emphatic eulogiums on "the wisdom and foresight of the principles" on which the present clumsy and unintelligent decentralisation measure professes to proceed will exonerate His Excellency from the statesman's duty which he is called upon to perform. Familiar as he is with the prepossessions of English politicians, and seeing clearly, as he must now do, what half-knowledge on Indian affairs they have to be content with, nothing could be easier than for him to enlighten them by sketching a complete outline of the interprovincial relations of the several divisions of this great peninsula. Such a sketch, if touched in with the colours used too sparingly the other day, would supplement what is required to popularise heavy works of substantial excellence like Col. Chesney's "Indian Polity," and might serve to explain anomalies hitherto incomprehensible to many of Sir Seymour's former associates on both sides of the House. Were he to take such a stand in public—we doubt not he has long since done so in subterranean correspondence—his position would be vastly strengthened as regards the central bureau in India, and he would be raised in general estimation as a statesman. Taking the lowest ground of mere arithmetical comparison, Sir Seymour would have added force to his very mild expostulations of last week had he shown in his own way (as we did on the 4th in ours) that if these "assignments" had been made to Bombay on the same scale as the Bengal grant, in due proportion to the "provincial" revenues actually produced by this Presidency, he would scarcely have had any tax to propose. Instead of having a total grant *with receipts*, of £968,477, and a deficit of £95,270, he would have had a grant of £994,700, and a deficit at the worst of only £68,300. Then if His Excellency were to proceed to point out such glaring anomalies as those revealed in the table on the comparative "Population and Land Revenue" published in connection with the Railway Minutes of last year, he would be taking a definite step towards that larger and more equitable measure of decentralisation which the next Viceroy will have to carry out.—*April* 14, 1871.

II.—That increased and more lively discussion on questions of local expenditure and taxation which Sir Seymour Fitzgerald anticipated as one of the desirable results to follow from the provincial budget system, has already set in with such stress that we are scarcely able to keep pace with it. Our yesterday's paper contained full report of a long Council meeting on Friday, and to-day the legislators meet again, mainly, perhaps, to take up what it is convenient to speak of as the "family-tax Bill." With much pleasure

we take leave to congratulate the gallant Secretary in P.W.D. on the statement relating to "provincial" public works in this Presidency. The details given are as full and explicit as could be looked for within the compass. The tone is reasonable and genial, the explanations given are plain and practical, and the position of the Department towards the Treasury and the public is frankly stated. Very few will have yet had opportunity (certainly we have not) of comparing the different items in Colonel Kennedy's speech with similar charges for former years; and it is not easy for any outsider to enter into comparison between the allotments sanctioned by the Executive and the numerous claims rejected. Such particulars as were possible to be presented under aggregate amounts were laid before the Council towards enabling it to judge of the tact with which Sir Seymour and his colleagues have exercised the policy of "natural selection." This makes it very plain that the course taken by the central Government has forced the Bombay Government either to acquiesce in wasteful neglect, or to indent for public works' purposes on the current incomes of the people. . . . . .

Seeing the large space occupied in our provincial finance by the 44 lakhs public works budget, we need not apologise for dwelling on that division of Friday's meeting; but we regret to have to speak of other interesting topics very curtly, if we glance at them at all. The Hon. Mr. Tucker's, the chief speech of the day on general policy, deserves full notice by itself. Very much of what he said in allusion to the inevitable increase of expenditure caused by modern demands of sanitation and the higher sense of administrative responsibility forced on rulers at the present day, applies to the whole problem of Indian government. We must meet those demands; we must act up to that responsibility; but the honourable member, and His Excellency also, seem to forget that all this is beside the mark in an argument to settle whether this particular part of India shall accept a certain amount of new taxation imposed virtually at the bidding of a distant authority. Whilst it was official and proper to acquiesce even in the clumsy plan on which the Government of India introduced a beneficent revolution, we had hoped to see in our local legislators some indication of provincial independence, and rather more consideration for the municipalities and district populations on whom the new burdens must fall. It seems to be forgotten that if this Presidency already contributes much more than its equitable share to the "general revenues" of India, then the transfer to municipalities of charges hitherto borne by those general revenues will be felt as injuriously burdensome. With regard to Bombay itself, the result of this change, acting together with other causes, may bring about a municipal collapse; and we regret to observe that the members of the Executive have still such an inadequate appreciation of the position of Bombay itself in regard to its civic finance.—*April 25*, 1871.

SIR GEORGE BALFOUR ON MILITARY FINANCE:

Sham Control—Unprofitable Expenditure.

GENERAL BALFOUR writes to the *Times* a brief letter (reprinted elsewhere) which is by far the most telling criticism that has yet been applied to the expenditure side of our last Budget. He turns inside out Sir Richard Temple's rose-coloured statement that the military expenditure in India "is less than of any year since the Mutiny." This was exactly adapted to catch the eye of home readers; but General Balfour shows how utterly fallacious is such an assertion—though the bare figures of the two periods may tally. The General points out that both English and Native troops have been so far reduced since 1862-3 that, at the rates of cost then established, our Army expenditure ought to stand at £3,000,000 *less* than it now does. This is not all. He remarks that the actual expenditure has even increased since 1863-4 by £1,500,000, notwithstanding that India has been relieved of charges for 15,000 European troops. It would have been well to explain what troops are here referred to; but the gallant financier is certain to be correct as to the fact. It is possible, however, that he may be mistaken as to the Nizam's Contingent having been a charge on our revenues at that period. That force has always been debited to the Berar revenues, though the account might be in arrears.

General Balfour then scrutinises the Army expenditure in India alone (£12,410,000). He takes up Sir R. Temple's little saving against 1862-3 of £510, and with quiet irony points out why this fact is unworthy of mention—indeed, shows that it is an utter subterfuge. Since that period we have dispensed with Native troops which cost £2,000,000 sterling; but the outlay on the force as thus diminished, has increased, as just mentioned,

by close on £1,500,000; while, as Sir R. Temple himself admitted, the apparent increase of our military charges at home is due to furlough pay and other allowances formerly paid in this country. The gallant General also makes sad havoc of the Finance Minister's apology for the rapid increase of expenditure on military stores during the last three years. Sir Richard had hinted or suggested—we forget which clever device was adopted—that this increase is connected with "the introduction of new weapons." . . . . . .

General Balfour "cannot conceive any justification" for the circumstance that the military expenditure of India is £3,000,000 per annum more than it ought to be. He says this with a full consciousness of all that is required for efficiency and completeness of equipments—points in regard to which the gallant General is one of the best authorities. Many other persons besides this professional critic are at a loss to conceive, not only why this country is paying millions more for unproductive expenditure than is due for the services received, but why a Finance Minister should be tolerated who has no eyes to see this terrible fact. The short letter in the *Times*, from the competent military financier, when it is put alongside the Budget statement—to say nothing of the numerous apologetic speeches required to back up that artistic State paper—affords an excellent illustration of the difference between real and sham workmen, between mere accounting and actual control of the finances. The most mortifying consideration for Indian taxpayers in connection with this letter is, that so much ground has been lost since General Balfour himself did so much to bring down the Army expenditure to that figure of 1862-3. Reduction of military expenditure is confessedly one of the most difficult to which a financier can apply himself. To be effectual without sacrificing efficiency or inflicting injustice, it must extend over several years. The influences that are ever tending to increase of establishments, especially the ornamental and more expensive branches, must be firmly and continuously combated with. Since General Balfour and those associated with him ceased their control of our Army outlay, all those influences, favoured by home interests at every turn, have had full swing. The result is, as he has so pithily described, decrease in efficiency, decrease even in numbers, but ever-mounting increase of cost. How long is this to last?—*May* 5, 1871.

Figures that Hide the Facts.

The outcry against that terrible surgeon of the old school, General Balfour, which comes borne on the breeze by way of Allahabad, is one indication, amongst many more, that it is high time India had some Controllers with courage and persistence enough to exercise control. It has long been understood that our conventional term "control" only refers to account and audit. It is on other and more highly placed functionaries that we must place the responsibility for expenditure increasing at a greater ratio than efficiency, and for financial pressure becoming heavier than the current resources of the nation can sustain. We do not think there is any such good fortune for the Indian taxpayer as General Balfour being sent to try to make good his astounding statement; but this hurried protest that has been raised against the bare suggestion of such a mission, recalls General Norman's very comprehensive statement which forms one vertebra of that great political kraken, the Budget debates of 1870. In that paper there was set out very clearly—especially in the long quotation from Mr. G. W. Kellner's memorandum—most of the changes which have affected military expenditure during this last septenniad, between the extremes of which the ancient controller at home has drawn so sharp a contrast. We have in General Norman's statement, as in Sir R. Temple's budget, clear narration, and, apparently, a full list of the facts on the surface; but the tone is one of apology and optimism throughout. No one gets even an inkling of that startling discrepancy, between figures that seem and facts as they are, which the short letter in the *Times* has revealed. . . . . .

The broad facts that General Balfour has pointed out cannot be gainsaid. What is there now to show for the troops which in 1862-3 cost £2,000,000 sterling? Nothing—but the £2,000,000 of charge still remaining. And how is it that the total expenditure for the smaller force is more by £1,500,000 than for the larger one in 1862-3? Possibly the estimate that we are now spending £3,000,000 unnecessarily may be £500,000 or so in excess; but there are various indications that go to support the stern General's accusation.* Take this sentence, for instance, from the *Statesman's Year Book*—

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* The above comparisons were drawn eighteen years ago. Let some competent Army accountant go through the military statistics and expenditure of the Government of India now that the Army charges are nearly £20,000,000 sterling, and the chief cause of the Indian Government's impecuniosity will become apparent.

The total cost of the Indian Army in 1857, the year before the Mutiny, with 45,552 Europeans and 232,224 natives on the pay-rolls, was £13,874,956, while in the financial year 1868-9, when there were 64,858 Europeans, and 120,000 natives on the pay-rolls, the charges amounted to £16,044,061.

Some little actual reduction has taken place since 1869; but it is the chuckle over that small achievement which has brought down on our too complacent financiers the salutary scorn of this pitiless controller, who was "raised," we believe, in that good school, the Madras Presidency. Supposing we admit there may be some aptness in the designation of *Sangrado* as applied to the financier dreaded of the Military department, what shall we say of the practitioners under whose care the patient has been left so long that nothing but amputation or phlebotomy will now serve his turn? The gruff surgeon of the old school would have averted plethoric conditions by the laconic prescription—"keep him short," enforced, if need be, after the fashion of Abernethy in applying a cudgel to the shoulders of nurses whom he might detect coddling the patient with the rich and luxurious food which has proved so inconvenient for the revenue and taxpayers. . . . . .

With a heavy fixed charge for public works, which need to be supplemented with others constructed on far better principles, we cannot stand still; neither can the country sustain the present heavy drain on its current resources. The two great heads of our expenditure require to be dealt with far more resolutely than has yet been attempted—the one demands absolute reduction as speedily as may be, the other requires wiser finance and more economical outlay. For the former there are other men of the stamp of General Balfour to be found; and for the latter, men compounded of the qualities of Colonel Strachey, Sir Arthur Cotton, and Colonel Tyrrell (whose essay we reviewed the other day), are to be had by making diligent and impartial search. Neither of these classes of administrators are likely to abound amongst the more comfortable classes of officials who congregate at Simla; but it is Lord Mayo's own fault if he does not reach beyond that close circle.—*May* 10, 1871.

LOCAL TAXATION—IN ENGLAND AND INDIA.

MR. GOSCHEN has lately introduced into Parliament a measure for the regulation and improvement of local taxation in England which deserves the careful and attentive consideration of our Government in this country, where the *idea* has now, for the first time we may say, assumed definite shape and official recognition. The circumstances of England and India are, in respect of local self-government, antipodal. In England the people for centuries have been accustomed to rule and regulate their own affairs; here the people for centuries have been accustomed to lean on the *Sirkar*.* The *Sirkar* has been to them *ma-bap*;† and hence it is that we hear so much of what is termed paternal government—a form of government which is peculiar to the patriarchal stage of society. We have been endeavouring to emancipate the people from the thraldrom of leading strings, and though our efforts have not in all respects been encouraging, there can be no doubt that if young India aspires to have a voice in the management of the affairs of the nation, it must do much more in aid of the Executive than clamour for well-paid appointments. A sum of about £70,000,000 raised by Imperial taxation represents the annual revenue of Great Britain; but in addition to this there is raised by local taxation about £30,000,000, or nearly half as much again; making a grand total of £100,000,000. . . . . .

In India we have no available district wealth to come upon for local rates such as exists in England, and which, at a very low percentage indeed, produced the enormous sum of £30,000,000 per annum. Our country is poor; our population is poorer still. In matters of local taxation we must proceed with extreme caution, lest without knowing it we be guilty of oppression. It is not so much, then, with the view of suggesting the necessity of devising new schemes of local taxation that we have drawn attention to Mr. Goschen's scheme; but rather, as local taxation of any kind has very lately been introduced into India, of recommending that in any measures that may be adopted in this country, its great principle, "simplification," be not lost sight of. In all systems of taxation for all countries this is of great importance; but in India and throughout Asia its importance is intensified fourfold, because the people are very poor and very ignorant, and require to be protected from

* *Sirkar* = the State—from policeman to Governor-General.
† *Ma-bap* = mother and father—*i.e.*, parents.

the tax-gatherers, who, if opportunity offers, will most certainly prey upon them. It is for this reason mainly that an Income-tax, or a direct tax of any kind, should be cautiously applied in India. Taxation would also be relieved of half its terrors if every one had but one tax to pay, and knew exactly how much it was, and to whom he had to pay it. Every one now understands that the magnanimity of the Government of India in resigning to local Governments £3,000,000 or £4,000,000 of what has hitherto been Imperial revenue for the purpose of Public Works, Police, Roads, Schools, &c., has been tempered by a desire to raise a larger revenue than heretofore by local taxation, leaving the responsibility of doing so to others. Our local Governors are therefore bound to be very wary lest they fall into the trap laid for them; and as a safeguard in the exercise of the new power placed in their hands, they would do well to keep sight of the principle approved by the latest legislative enactment at home—viz., Simplification. A hearth tax, a poll tax, are primitive modes of raising a revenue; but we willingly believe the natives of India would prefer either if they knew exactly what they had to pay, once and for all, and were relieved from vexatious inquisitiveness and the probability of oppression. We believe also that an infinitely larger revenue would be collected if some intelligent means less objectionable than the Income-tax were devised of imposing whatever portion of the taxation of the country it is thought necessary to make direct. . . . . .

In India we have not a representative government, and consequently no franchise to sell, as it were, to the public; but ambition, pride, envy, and similar feelings common to human nature, are as strongly developed in the natives of the East as the West, and it would be quite possible efficiently to protect the public purse without having resort to measures which tend to make our Government as odious in the eyes of the natives as the Income-tax has done. We do not propose for adoption any such system as we have here alluded to, but we do desire to see our Government introduce some system of taxation in accordance with the habits, customs, and traditions of the people; and emancipate itself from those fixed ideas of taxation which, however happy and successful their application may have been in Great Britain, are wholly unsuitable to the people of the East. If we are ever to educate the people of India, we must show them that our best men have some originality of thought, and are not, like the great majority of those we have brought up in the new school of British India, pure imitators.—*May* 16, 1871.

THE HOME CHARGES IN 1868.

SOME few weeks since, we received copy of a Parliamentary return moved for in March last by Mr. Eastwick, which purports to give "Statements in detail of the Effective and Non-effective (military) Charges entered in the Home Accounts" for the two years 1866-8. The return also includes list of the amounts charged for European military stores during the four years ending 1869-70, and specifies the sum debited to the Governments of India, Madras, and Bombay respectively. . . . The first, and by far the most important single item in all the statement is "The Imperial Government for Troops serving in India." In 1867-8, the later of two years given in detail, it stands at £738,620; but in the year following, the same item was only £620,000 (1). That large amount the return divides only into three heads, "Capitation rate at £10 a man on 63,000 men," £630,000; Balance at credit of War Office of claims by Imperial on Indian Government, £100,000; Expenses of supplying non-commissioned Officers of Engineers and Sappers during four years, £8,620. This method of capitation rate reappears under the "non-effective" division, where £220,500 is entered for the same 63,000 men at £3 10s. each, "on account of retired pay, &c., of troops serving or having served in India." . . . Possibly these capitation rates are contrived so as to cover those heavy charges for recruits that are about to be made much heavier, and in deprecation of which Colonel Sykes is about to move in Parliament. Had the Select Committee set about their work like business-men, instead of following a method suitable to an antiquarian club, we should already have learned everything about these capitation fees and recruits' charges, and probably some check would have been given to the monstrous increase now threatened under the latter item.

In the ordinary accounts, "Stores" appear under the "Effective" division—though certain Snider cartridges now being consumed in this Presidency are notoriously "non-effective." In the accounts for 1869 the total of this charge is £872,621; and the return

(1.) In the Budget for 1888-9 the corresponding charge appears as £1,353,500, or nearly twice as much.

gives no details whatever—only the sums debitable to the three military territories of India are separately specified, and the cost of freight on the whole is stated. This will do nothing to satisfy the Calcutta memorialists, for instance, who regard these store accounts as the most open to suspicion, and the least defensible in the whole list of home charges. Undoubtedly there is ample scope for scrutiny of this item. . . . . .

Of the £1,136,128 total "Non-effective" charges—the items of which are nearly the same in return as in account—more than half, £750,806, is for "Retired Pay," mainly "Colonels' allowances," of which £144,097 appertained to Bombay officers. In 1870, the charge for retired allowances was £9,000 more; and though for the present year the Finance Minister hopes there will be a pause, every one knows that unless a satisfactory retirement scheme is adopted, and the Staff Corps' rules of promotion are modified, this charge for non-effectives will speedily bring us to another Income-tax. Besides the Lord Clive Fund pensions, £164,822, the remainder of the non-effective charges in 1868 consist of the £220,500 capitation rate on the "63,300 men," already referred to. . . . . .

In the financial year just closed, the military expenditure by England on behalf of its colonies was £1,905,536—being considerably less than in the year before, and omitting all charges for equipment, stores, recruiting, &c. In addition, the colonies themselves contributed £309,000 for pay of troops actually on duty therein; but neither Canada nor Australia paid one shilling of that sum. The practice of the "mother country" towards India in this matter of military charges is the reverse in all respects of the indulgence shown to her ungrateful daughters, the colonies, who impede her trade by levying adverse tariffs. In the year 1867-8, in which we have noted the more important details of military expenditure charged to India at home, the total was £3,499,929. The corresponding estimate for this year is £3,574,000 (2). Suppose England agree to defray half that charge, which is for the mutual benefit of both countries; the relief to India would be far more than is represented by saving the mere payment of £1,750,000 per annum. That amount would be left in this country to fructify in commerce and agriculture, instead of being paid away on the other side of the globe, whence it can never return to the floating capital of India. Whether Lord Lawrence's proposal be adopted—that India shall only be called upon to pay for troops actually within her coasts; or Sir G. Wingate's, that while India should pay for sending troops home, England should defray the cost of sending them out, and that of the depôts and other items which aid the home garrison,—some means will have to be agreed upon of rectifying the one-sided bargain by which India pays all, and England nothing.—*June* 3, 1871.

INCOME-TAX COLLECTION—CALCUTTA AND BOMBAY.

ABOUT a month ago one of our Calcutta contemporaries entered into certain comparisons concerning the methods and policy adopted in the collection of Income-tax in that city and Bombay, respectively, which it may be well even yet to notice. Those remarks referred entirely to the financial year now closed; and we are quite aware that with the reduction from $3\frac{1}{8}$ to 1 per cent., and the raising of the mimimum chargeable to Rs. 750 per annum, more than $\frac{17}{25}$ of popular interest in the subject has gone. . . . . .

Our eastern contemporary remarks that though the numbers of persons assessed to the Mayo-Temple levy of 1870-1 were nearly equal in the two cities, the number of complaints in Calcutta against assessments largely exceeded what have been heard of during the same period in Bombay. It is not explained through what channel those complaints were made. They appear to have been not only numerous and loud, but so far formal as to have attracted the attention of the Supreme Government—even the deaf Finance Department itself. The way in which the higher powers appear to have commented on these articulate growls is characteristic enough. Sir Richard detests popular odium, though, when backed by the half-

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(2.) The total (which includes the above in both cases) for 1888-9 is £5,470,600. There is also a charge now levied for British Navy vessels at an average of about £80,000, which was not exacted in 1868. Besides what is paid in England (as in previous foot-note) for British troops serving in India, every shilling of the pay, both of officers and men, while in India is paid from the Indian Treasury, and on a higher scale than anywhere else that British troops are stationed. It may be well here to note that in 1870 India's total military charges were £15,000,000; for 1888-9 they stand at over £19,000,000—an increase of more than 26 per cent. in less than 20 years.

informed Secretary of State, he can affect to despise "the clamour." Stronger than his dislike to intelligent impatience of unnecessary taxation is his desire for large returns; and we gather that he noticed, while fewer complaints of squeezed Income-tax payers reached him from Bombay, the yield of the levy in this city was much larger in proportion than in the capital of Bengal. The text of the admonition received by the Calcutta assessor in reference to this contrast is, of course, not available; but, as rendered by our contemporary, the Viceroy, or Mr. R. B. Chapman on his behalf, pointed out that if "greater leniency" in Bombay had produced the eminently satisfactory result of a bigger haul of rupees, why should not "an imitation of Bombay leniency result in larger returns in Calcutta?" Our contemporary does not share in this hopeful view of the matter. He asserts that the complaints in Calcutta were of "pure and simple over-assessments," rather than of severity in levying and collecting the sums alleged to be due; and he failed to see how "leniency" would be likely to bring about larger collections. . . . . .

It is in reference to the supposition that the eastern capital yields so much more in direct taxation than the western one, that comparisons arise which have more than temporary interest, and excuse our thus reverting to the subject. Undoubtedly Calcutta ought to yield considerably more than Bombay, if the Income-tax were as effectively levied there as here. It is true, the Bombay population of 1864, reckoned at 816,562, contrasts remarkably with the 377,924 counted in Calcutta "proper" in 1866. But it is tolerably certain that Howrah and other villages west of the Hooghly are not included in the census under the term "Calcutta proper;" and we presume there are on the north, and perhaps east of the city, suburban residences of zemindars and others within the sweep of the Income-tax assessor's arm, though they would not be counted in the city census. In Bombay the reverse of this relation between suburbs and city obtains. The villages of Mahim, Worlee, Sion, Matoonga, &c., contribute a considerable aggregate to the population of Bombay island and harbour; but they ought not to attract much, if any, attention from the Income-tax assessor. We have not here so many as half-a-dozen of the class which, in Calcutta, must reckon so largely in the Income-tax assessments—the zemindars, mortgagees, and other absentees, the unproductive consumers of the chief portion of the rental of Bengal, "the *cater*pillars of the State."

Another source of easily assessable income specially centred in Calcutta is that of Anglo-Indian banks and Insurance offices. The home Boards of these institutions have, we believe, very generally elected that the tax payable on account of their Indian branches shall be levied and paid in Calcutta. The P. & O. Company have done the same. In this way a special contribution, presumably of considerable amount, has been secured in the eastern capital, though a large portion of the revenue which it represents must have been produced in Bombay. To set against the many special taxable incomes centred in Calcutta, there is the circumstance, or rather the popular belief, that Bombay is a "city of merchant princes." It is not needful to remind any one how very much of our glory departed five years ago; but when comparison has to be made between Calcutta and Bombay profits in 1870, it is needful to remind observers at a distance that our mercantile gains of last year must have been outweighed by the losses, and that for the last two years the commercial balance made in this port must be considerably less than that in Calcutta, poor as that may have been. Though the total foreign trade of Bombay is considerably larger, that of the eastern port is often alleged to be steadier and more profitable, and we believe it is. Thus, very little consideration of the large aggregate of capitalists' interests centred in Calcutta will show that there are heavier sheaves for the tax gatherer's sickle in the eastern than in the western capital of India. In 1869-70, the persons assessed at an income of "one lakh and upwards" in Bombay were only 68. Was not the number of that class in Calcutta very much larger? We have as yet no means of obtaining the statistics under this head, but we have a very strong conviction that the figure ought to have been equal to three or four times 68. In that year the total number of persons assessed to Income-tax in Bombay was 18,546—public companies and employés thereof excepted. The aggregate number of assessees have generally been about the same in this as in the eastern capital, though we think the heavier incomes should figure there in much larger proportion than here. It would be very instructive if the Finance Department would publish in one set the returns of numbers and classes, with the sums realised from direct taxation in the cities and large towns of India since the levy was re-imposed by Mr. Massey in 1867. At present we have only these general statements wherewith to support our comparison between the two cities. Under the 1867 Certificate-tax, which was a rough Income-tax of 1 per cent.,

the yield in Bombay was larger than that in Calcutta; of the License-tax of the following year we have no report, but presume the same ratio was maintained; our one and a-half Income-tax for 1868-9 fell a little below the yield in Calcutta; the severe levy of last year produced, we understand, about 18 lakhs in Bombay, and a little under 20 in Calcutta. . . . . .

It is not mere weak "leniency" which has made the collector of Income-tax in Bombay proportionately more successful than his *confrère* in Calcutta, if this is really the case. It is discrimination—discrimination based on long experience and on intimate knowledge of all the trading and moneyed classes in this city, and that knowledge utilised with much tact and steady control of temper—which has not only made the odious impost endurable to the lieges in Bombay, but rendered it more productive than might have been expected. We are not here drawing any comparisons to the disadvantage of the Calcutta collector. We have no materials before us for doing so, even if we had any desire at this late date to fight the battles of the Calcutta assessees; but we can dispose of one significant query put by our contemporary in that city. It was asked whether—following a vicious principle adopted at the instance of the higher financial authorities in some other parts of India—the Income-tax collector here was "instructed" to raise his assessments to a certain prescribed minimum, and that an increased stipend should be his reward for so doing? We have never heard of such "instructions," and feel quite certain that no such artificial stimulus has been applied in Bombay; but the statement that some such spur was applied in Calcutta has not been denied so far as we have seen; and we know that in the N.W. Provinces some standard sum was specified, up to which the collectors and their irresponsible assistants were expected to tax. It is needless to denounce the impropriety, not to say the iniquity, of devising such decrees, however secretly and circumspectly they may have been promulgated.—*June 16, 1871.*

DECENTRALISATION IN BENGAL.

THE people of Bengal certainly cannot complain of being taxed without full discussion and ample time for inquiry. It was in May 1870 that the Duke of Argyll sent the despatch which ruled that the Permanent Settlement does not debar Government from raising taxes for local purposes from the landholders of Bengal—a question that had already been discussed for years; though it is difficult for any one not identified in interests with the zemindars to understand how there could ever have been any doubt on the matter at all. . . . . .

The great principles of the Duke of Argyll's despatch were, that though landholders under the Permanent Settlement are not in future to be exempt from local taxation, yet that such cesses should be laid on them only in common with other owners of property, and that such cesses should be in their assessment, application, and management—that is to say, in their advantages as well as disadvantages—essentially local. The Committee, therefore, which consisted both of official and unofficial members, recommended a cess on land to be paid by superior proprietors, inferior proprietors, and ryots, and a house-tax,—this last to be paid only by those who are not assessed on land; the house-rates varying from one to five rupees a year. Houses estimated to have cost less than Rs.100 are to be exempt, though a minority of the Committee wished to include every hut. . . . . .

The first reading of the Bill was moved by Mr. Schalch, who probably drew up the report; and then a gentleman named Babu Degumber Mitter, whose name also appears attached to the report recommending the Bill, rose and moved its rejection! Some of his arguments were so original that we must find space to state them. He did not think improvement in roads was a crying want—"in fact, roads in lower Bengal had been known to have caused more harm than good by impeding the surface drainage of the country, and thereby contributing to the generation of miasmatic fevers which had been epidemically raging in different parts of the Hooghly and Burdwan districts, ever since something like a *furore* had set in for roads, consequent upon the introduction of railways." This remarkable statement was naturally met by reference to the notorious fact that the Orissa famine was caused not by the absence of food within reach of Government, but by the absolute impossibility of conveying it to the starving population, and that the Babu must himself have seen the same thing in Midnapore and the 24-purgunnahs after the cyclone of 1864.

But Mr. Bernard—the vigorous young henchman whom Mr. Campbell recalled from the Central Provinces—in a much more practical manner attacked Babu Degumber and another native member who supported him, and used arguments which, however common they may be elsewhere, are certainly not often heard in Bengal official circles. He remarked: "If the Bengal provinces were governed by a representative body from all India—that is, from the nations whose soldiers and revenue protected the people of Bengal,—it would never tolerate that Bengal estates should be improved and opened out by expenditure from the surplus revenues of less favoured provinces." He then showed that the total expenditure on communications in Bengal, including the imperial contribution of 15 lakhs, will be 50 lakhs a year, or *one* lakh for every million of the population, whereas Bombay gets only 10 lakhs from imperial funds, raises 40 lakhs of local taxes for roads and other improvements, amounting altogether to from *two* to *three* lakhs for every million of our population. He mentioned that Madras and the North-west Provinces come between these two extremes; and then, to show the absolute necessity of funds being provided for communications, he reminded the Council that although 16,000 miles of road had been begun in Bengal, of these only 1,300 were completed; and he pointed out that if the road system now begun were to be completed within twenty years, 50 lakhs a year at least ought to be spent on them. Certainly the inference from all this is, that the rates proposed by this new Bill should be doubled. For as one part of the proposal is a preposterous undertaking that all assessments should stand good for five years, it does not seem likely that there will be any increase within that time. And we must say that if Mr. Bernard's facts and figures are convincing against Babu Degumber, they are not less so against those all-powerful Civilian rulers of the Supreme Executive who have had the allotment of imperial funds, and also against those who have had the spending of them in Bengal. . . . . .

But the proposed taxation is evidently so very light, compared with that of other parts of India and in relation to the wealth of Bengal, that we almost wish the opposition had been sufficient to swamp this very inadequate measure, so that, as Mr. Bernard suggested, a far stronger one might then have been forced on the Legislature. However, we must be content for the present with this small beginning—the forerunner, we hope, of much more considerable instalments of a debt to the miserable ryotry of Bengal too long deferred. We ought not wholly to omit reference to the skilful and comprehensive speech of the Lieutenant-Governor, in which he showed the impossibility of taxing personal property for local purposes, and the obligation, prior to and irrespective of the Permanent Settlement, that lay on the zemindars to keep the roads in their own neighbourhood in repair. We have said enough to indicate the importance and interest of the whole discussion, which is by no means exhausted yet.—*June* 28, 1871.

SILVER AND PRICES—AKBAR TO VICTORIA.

IF extension of the "Perpetual Settlement" had not been virtually forbidden under the Secretaryship of Earl de Grey (now Marquis of Ripon), and again, within the last two months or so, in some more peremptory missive, we might just now expect to see the Indian Government set about promulgating an edict to that effect. It appears there has recently been an awakening on the other side of India to the bearing (in a revenue point of view) of the well-established circumstance that the value or purchasing power of money is less than in former centuries—very much lower than in the time of Akbar, and less than in the time of Cornwallis. The *Englishman*, in a couple of articles a fortnight since, draws attention to this great fact of economic history, and in doing so dwells with much earnestness upon the practical inferences to be drawn from its effects. This is done almost with the air of announcing a discovery; and though the class of circumstances and calculations dealt with by our Calcutta contemporary have long been familiar on this side of India, there is no telling what may come upon us, because of this new revelation which has been granted to certain students of monetary and fiscal science in Bengal. The least that can be expected, if pure logic is to have sway, is that the zemindars under the Cornwallis settlement will shortly receive a notice to the effect that "whereas the value of their holdings as expressed in rupees in 1793 or 1802 has entirely changed, an adjustment will forthwith be made, to take effect from 1875, whereby their payments to the State will be enhanced in the currency of the present time, so as to bring the *jumma* up to the same proportionate value as that fixed upon when their sunnuds were first granted two or three generations back." Something of this kind has long been

demanded in justice to the rest of India; and if the facts marshalled, though somewhat irregularly, by the *Englishman* are to have their due weight, such an adjustment as we have indicated will be carried out as soon as we get a Viceroy strong enough and independent enough of Bengal Civilianism. Our Calcutta contemporary is, perhaps, scarcely yet prepared to act up to its new lights in that direction; but, if not, some of us must demur to accept its conclusions on the opposite wing of this question—to wit, that it behoves the British Government to "raise from seven to eight times" the revenue drawn from the country by the early Mogul emperors. British India is not exactly conterminous with that of the great Mogul; but as, according to Bernier, Aurungzebe's authority extended "from the 10th to the 15th degree of latitude, and nearly as much in longtitude," the territorial scope of the two empires is similar enough for the purpose of this, at best, rough comparison. As, according to the same authority, the Mogul's revenues were equal in that day to £32,000,000, English money, we have the pleasant prospect held out to us of a coming budget estimate of £220,000,000 sterling. . . . . .

It may be—and in general terms or with large qualifications we also would affirm it to be—quite true that the decline in the purchasing power of silver is the "great fundamental financial difficulty" in India; but it may be seriously erroneous to say, as our contemporary does in the same breath, that this decline in silver is a "constantly intensifying" cause of difficulty. This source of difficulty and confusion, as we have already intimated, has already been felt with far more severity on this side of India than it has ever been felt in Bengal. And in a fiscal or financial sense, this difficulty has been intensified here, because there, as is now confessed, the chief source of revenue has been fixed on a valuation made under Akbar 300 years ago. Writers in Bengal may make scientific conundrums of this question of decline in the purchasing power of silver, but it is one that has had a grim significance for recipients of fixed incomes in this Presidency. At the present period, it is of less personal importance with us, because everybody here has so much less of the purchasing "medium" itself. The whole subject, so far as its practical bearings extend, was most thoroughly gone into by the Prices Commission appointed by the Bombay Government in 1863, of which the Hon. Mr. B. H. Ellis was a member, Mr. R. H. Showell, the experienced Government servant now retiring, being Secretary. The conclusions of that Commission may be accepted implicitly in regard to the variation in prices and the relative value of silver in the periods of 1850, 1860, and 1863. In regard to the anticipations ventured by the reporters as to the future, they point to the probability of a continued rise of prices and decline in the value of silver; and these predictions were verified for a period of two to three years. Nothing within the Bengal writer's review approaches to the disturbance which Mr. Ellis and his colleagues had to report on in 1863; but about the close of 1867, the tide fairly turned, and this very important circumstance has been overlooked by the Calcutta writer as he is borne on the flood of his too wide historical deductions. The period covered by the investigations of the Commission was from 1829 to 1863; but it was the middle of 1864 before the Government of Bombay, through the letter of its Secretary, entered into its valiant but almost fruitless struggle with the Supreme Government. At the time, and on the facts proved, this Government had a case which, on the principles followed in the *Englishman's* articles, was perfectly irresistible. . . . . .

The Commissioners show from the Bombay Mint-master's returns that it was subsequent to 1861 that the immense influx of silver occurred; and this, as we know, synchronised with the excessive rise in prices. These are the statistics quoted in the report as showing the total silver bullion and coin passing into Bombay Presidency and remaining therein during the periods specified:—

From 1848-9 to 1854-5	Rx.5,554,809
„ 1855-6 to 1860-1	43,687,988
„ 1861-2 to 1862-3	66,054,335

Taking the returns for the whole of India, the influx kept on, as we have said, to 1867, when the total net import of treasure declined to less than Rx.11,000,000. Then the tide turned, and thus it is that our contemporary errs in pressing his conclusions so late as 1870. Taking, again, the whole of British India, the net import of treasure for the last three years has been as follows:—

1868-9.	1869-70.	1870-1.
Rx.13,760,374	Rx.12,912,444	Rx.3,224,058

Since March last this decline has been going on, and must produce its effect in depressing the price of commodities or enhancing the purchasing power of silver. Thus, though it may be correct to affirm that a lakh of rupees in 1850 was worth more than the same amount in 1870, it cannot be said that a lakh of rupees in 1871 is worth less than the same amount in 1864. It may be true that the movement of Indian prices, silver down and commodities up, is, in the long run, a flowing tide; but there must be backward currents and long receding eddies, and it is in one of these that we are caught at present.—*Sept.* 9, 1871.

MANAGEMENT OF STATE LOANS:

Simplicity and Definiteness Required.

EVERY one now knows that the Government of India intends to discharge its great 5 per cent. loan of 1856-7 on the 16th January next. But it is to be discharged by transfer. The indebtedness of the State will remain the same, though the direct claims of the public on Government will be somewhat lessened. Of the £16,250,000 sterling of stock to be dealt with, about £2,750,000 is to be taken up by the Paper Currency department to increase its investments almost up to the full limit fixed by the amended Act of last year. Thus the present proceedings of the Finance department, so far as regards its immediate effect on the money market is considered, is much the same as if Government had extinguished one-sixth of the 5 per cent. stock by paying it off. The quantity of stock available for investors is lessened by more than £2,500,000; therefore the market value of Indian Government stock of all denominations, guaranteed railway shares, and debentures, will be enhanced by the same fraction that expresses the proportion which that amount bears to the whole of those State obligations. But, as many of these securities are in the English money market, it is impossible to assign any exact value to the enhancement that will be caused by the virtual withdrawal of £2,750,000 of stock. That circumstance will make Government paper "better"; but how much better, can only be defined by the "higgling of the market" between now and November 15, after which date no more applications for transfer will be received. . . . . .

It seems to us that, besides bringing stocks to one uniform rate, ordinary business policy should induce the Finance department to assign some definite periods for repayment or reconsideration. At present the option is nearly all on the side of the State. Is the arrangement under this new transfer intended to introduce or rather to establish the principle of giving the public creditor a more distinct option than he now possesses? This may be so intended, or, if not already intended, may be so planned; for we may point out that the next loan in order of amount after the 1865 one—which as to period of currency is in the optional group—is the Rs. 10,66,50,000 stock of 5½ per cent. loan of 1859-60, which has for its terminal date May 1st 1879, subject to a notice of three months in or after January of that year. This large transfer or repayment, which is certain to be made then, will thus fall in the same year that the "Transfer Loan of 1872" will lose its half per cent. of interest. Neither business men nor Finance Ministers care much about symmetry; but we think there might be practical advantage in bringing the due date of Government obligations into the last or first year of each decade—of course, dividing them into different groups of similar amount, so that the demand or pressure would be equalised. This plan would reduce to a minimum that disturbance in the supply of floating capital which is always a disadvantage to regular business and healthy commerce. . . . . .

Next, as to the rate of interest now offered, Sir Richard Temple may have had some sentimental tenderness for the public creditor, which he will seek to justify next budget day; but, for our part, we can see no justification whatever in the present state of the money market and commerce for offering 4½ per cent. We regard the offer of that rate as an improvident disposal of public resources, and as clearly such—though on a very much larger scale, than the renewal of the 26½ lakhs of debentures which fell due in July. Of course the public loss is not to the full extent of the seven times half per cent. thus needlessly given; for we presume the Finance Minister will take such advantage in premium as may arise from competition amongst the holders of the present five per cent. paper; but this is not likely to be nearly so much as the difference between the present price of 4½ Loan of 1870, which is 107, and the Fours, which are about 99. It is obvious that the concession of one-eighth more in interest will not nearly enhance the rate of capital subscribed to the same extent. The large increase in the investments of the Paper Currency reserve is in accordance with

the new regulations to that effect made last year; but information is much needed as to the results on the internal economy of the Paper Currency system of the ill-advised measure by which currency notes have been made subservient to banking purposes without any corresponding advantage to the State. But that is a separate question, as also *when* those five rupee notes are to be ready? What we have to consider is, that of £6,500,000 sterling of coin and bullion retained by the department nearly two-fifths will now be liberated for use in trade. . . .—*Sept.* 18, 1871.

OCTROI TAXES AND J. S. MILL'S OPINION THEREON.

FROM the Municipal Commissioner's report for 1870, we learn that the Town Duties or *octroi* of Bombay yielded in that year Rs. 5,94,988 of net revenue, the gross sum taken from the people under these levies being Rs. 6,31,928. Except Rs. 1,30,900 raised from Wines and Beer, the whole of this may be regarded as taxes on the necessaries of life; for not only do the items of "timber" and "metals" draw largely from firewood and materials for cooking utensils, but cheap timber for building, and metals for one of Bombay's chief manufactures are essentials in the comfort and well-being of a large proportion of the population. The Commissioner does not trouble himself to go into any argument as to the principle of these levies. No doubt he holds the doctrine, "all is fish that comes to the net"; but he expresses the opinion that this tax of the threshold has been largely and systematically evaded. . . . . .

We are not just now concerned to discuss the working of these duties; but it may be as well to revert to the question of fiscal principle that is involved in the maintenance of them, or, rather, in their re-introduction to Bombay after being abolished. We are not anxious to profess rigid and inexorable adherence in fiscal practice to abstract economic doctrine, and we fully coincide with a recent American writer on the science when he points out that each country has a political economy of its own, somewhat in the same sense that it has a physical geography special to itself. At the same time, there are certain principles inherent in economic science which, like the unvarying facts in physics and the broad principles of equity in moral philosophy, command assent and demand obedience under all circumstances, and in all conditions of human affairs. To take a short cut to the point in hand—one of those universally applicable principles is the first of Adam Smith's cardinal propositions of taxation, namely, "the subjects of every State [and members of every municipality] ought to contribute to the support of the Government, as nearly as possible in proportion to their respective abilities. . . ." It is noteworthy that while the other three cardinal fiscal principles, expounded by the modern father of the science, always commend themselves to the common sense of mankind, however often they are violated in practice, disputants and class interests ever strive in controversy respecting the working out of that first principle. This is because, as Mr. Mill points out, equality of taxation is "a thing often imperfectly understood, and on which many false notions have become to a certain degree accredited, through the absence of any definite principles of judgment in the popular mind." It must strike many of our readers that this general remark has recently received very apt illustration in Bombay, inasmuch as an occasional visitor to the Corporation meetings,—presuming on "the absence of any definite principles of judgment in the popular mind," in respect of equitable taxation,—has been, so to speak, moving heaven and earth on behalf of "false notions" as to these town duties and the tax on rentals to which it is sought to oppose them. None, whom we know, seek to rest, either our municipal or national fiscal system on one kind of taxation; though with the usual rashness of the writer just referred to, he has erroneously asserted that our present system of municipal taxation "is, in effect, that house property ought to sustain *all* the property of the place." No one has said this or desired it, though many do think that the tax of the threshold should be wholly expunged from the tariff of this city of trade. . . . . .

The simple reason that skilled writers on this topic do not trouble themslves to make statements formally condemning town duties as contrary to principle and objectionable *per se*, is that the proposition is too obvious. Whenever, we would ask, is Adam Smith's first principle to be applied at all, if not in reprobation of a fiscal scheme which taxes the income of a labourer or artisan fifty times higher in proportion than that of a wealthy fundholder or banker? Professors of natural philosophy do not consider it necessary to be constantly affirming the principles of gravitation and extension, though they may occasionally make

incidental reference to them; just as at the close of the chapter following the one from which the above quotation is torn, Mr. Mill thus incidentally cites the "universal principle" which condemns our present town duties: "As incomes below a certain amount ought to be exempt from Income-tax, so ought houses below a certain value from House-tax, on the universal principle of sparing from *all taxation the absolute necessaries of healthful existence.*" . . . There should be a limit to a game of this kind, and we are glad to find that a certain citizen of Bombay, a patient student in, and not a loud professor of economic science, recently took means to draw Mr. Mill's attention to the extraordinary liberty taken with his name and work in wresting from the latter inferences totally at variance with the general tenour of the great economist's teaching. This is the reply received from the philosopher in his remote retreat—

Dear Sir,—I have just received your letter of July 11. I cannot imagine how the passage quoted from my Principles of Political Economy can be supposed to give any support to the imposition of Town Duties. It is true I object to "calling upon one tax to defray the whole or the chief part of the public expenditure." But the local expenses of the town of Bombay are a very small part of the share of public expenditure falling upon its inhabitants. A house-tax appears to me one of the most equitable of all taxes, not only in so far as it falls on the occupier, but also (in a thriving town) as far as it falls on the ground landlord, from whom it merely intercepts part of the unearned increase of income which he derives from the general prosperity of the place. An octroi, on the contrary, to be productive, must be levied on the necessaries of life, or at least on articles generally used by the mass of the people, and is therefore one of the most unequal and most burthensome of all ways of raising a revenue. I do not say that in a country like India, where it is difficult to levy any tax to which the people are not used, financial necessity may not sometimes justify having recourse to such a tax; but I am sure it should only be adopted in extremity.—I am, &c.,

Avignon, *Aug.* 26, 1871. J. S. MILL.

We give this simple natural note just as it stands, and leave our readers to apply the emphasis for themselves. In our opening remarks we have admitted that deviations from the true principles and best methods of fiscal administration must be submitted to in practice; but as Mr. Mill remarks, an octroi "should only be adopted in extremity." Well; the extremity which permitted the adoption of taxes on the necessaries of life in Bombay was caused by—Municipal extravagance. That is our case.

Though we have raised afresh, we cannot here work out the question of how far the town duties of Bombay conflict or accord with the first cardinal principle of taxation. But the subject is dealt with in detail in an ably written memorandum which appears in another column. In commending that to the attention of thoughtful and far-seeing men, we may as well remark that the writer, tolerably well known as a public man, is not the same who has received the note from Mr. Mill.—*Sept.* 22, 1871.

II.—The following appeared in our daily contemporary's issue of Saturday: "The *Times of India* published yesterday the following letter from Mr. J. S. Mill, written in reply to a citizen of Bombay who 'recently took means to draw Mr. Mill's attention to the extraordinary liberty taken' by Mr. Knight 'with his name and work in wresting from the latter inferences' in favour of town duties and against the house-tax 'totally at variance with the general tenour of the great economist's teaching':—

[Here is quoted the letter given above.]

With reference to this letter Mr. Knight has now sent us the following communication:—

TO THE EDITOR OF THE "BOMBAY GAZETTE."

Sir,—Will you do me the favour to publish this letter in the *Bombay Gazette*, as it is very doubtful whether it will be allowed to appear in the journal to which it is addressed?—Yours faithfully,

Bombay, 22nd Sept. R. KNIGHT.

TO THE EDITOR OF THE "TIMES OF INDIA."

Sir,—The gentleman, whoever he is, who has opened a correspondence with Mr. Mill on the subject of the local taxation of this city, has done, I think, a public service; but as it is clear, from Mr. Mill's reply, that he has suppressed, unintentionally perhaps, those economic facts of our condition upon which the entire strength of my opposition to the system of direct rates depends, I now invite him to prepare jointly with me a statement of the case to be submitted separately to Mr. Mill, to Mr. Bagehot, of the *Economist*, and to Mr. Dudley Baxter, a statesman who has given great attention to this subject of "the incidence of taxation." If your correspondent refuses this challenge, which I can hardly think he will, I shall myself prepare such a case, and gives your readers an opportunity of judging for

themselves, before it is submitted, whether it is a fair statement of the controversy or not. Matters have arrived at that stage in this dispute, that I have long contemplated some such step for the settlement of the public mind, only we will have the case *fairly* stated,—stated "in the light"—if you please, now that we are going to appeal to authorities. I have fought this question single-handed so long against the prejudices that prevail here, that I am most glad at the prospect of its being referred to recognised authorities, who I venture to affirm will condemn, as absolutely as I have done, the present system of Municipal finance, when the facts are fairly before them. When Mr. Mill, for instance, understands what our so-called house-tax really is, and the economic condition of the people amongst whom it is levied, I am convinced that he will at once condemn it.

I shall not be expected to reply in your columns to the Memorandum on the Incidence of the Municipal Rates, published in your third page. The next issue of the *Economist* will show how erroneous it is, be its author whom he may.

You can send me your correspondent's name privately, if you like, but I must ask you to publish this letter.—Yours obediently,

Bombay, 22nd September 1871. . R. KNIGHT, *Indian Economist.*"

This letter does not touch the point at issue. The charge against Mr. Knight is that he mis-quoted a passage of Mr. Mill's writings, attaching to it a meaning directly the reverse of that which the author intended to convey. This charge of deliberate misrepresentation cannot be refuted by general remarks on "the economic condition of the people of Bombay." What Mr. Knight hopes Mr. Mill may say, cannot alter what Mr. Mill has said. However, by all means let Mr. Knight prepare his "case," and get the opinion of economical experts upon it.

As to the subject-matter of the letter we need add little to the very apt remarks made by our contemporary on it. With persons who really understand the fundamental principles of political economy and fiscal science, the proposal "to state a case," embodying certain perverse propositions with which the writer has nauseated the public mind, must appear every whit as futile and absurd as the recent wager of the modern Hampden by which he defied the disciples of Newton to prove the rotundity of the earth. If the *Indian Economist's* case is "fairly stated" it will include not only the balderdash about confiscation, but the naked demand that real property (except under a small, nominal, prescriptive levy) shall be exempt from contribution to Municipal expenditure. But, as this "single-handed" champion of the most powerful local interests and influences in the island, kindly offers to "give our readers an opportunity of judging for themselves" as to the composition of the forthcoming case on behalf of his clients, we would advise the gentleman to wait who has already elicited Mr. Mill's opinion with sufficient fulness. Judging from the perversities which have already been inflicted on the city, in regard to "the economic condition of the people,"—*i.e.*, of the small class claiming immunity from their fair share of civic contribution—the correspondent of Mr. Mill, if his present avocations permit, will have quite enough to do in correcting and annotating the promised "case;" though the subject of it might be "fairly stated" within very brief compass indeed. Whether the recluse of Avignon will care to bestow half-an-hour of his precious time or well-earned leisure on a "case" prepared by one who has so audaciously tortured his text, remains to be seen. Meantime, our real Municipal deficit is staring the city in the face, and no appealing to authorities will avert the very disagreeable necessity of filling up the chasm with hard cash.—*Sept.* 25, 1871.

TRANSIT DUTIES AND TRADE TRAPS.

STERNE said, "when a man has a mind to preach, 'Pontus, Cappadocia, Phrygia, and Pamphilia,' will do as well as any other in the Bible." Acting on this principle, the honourable members for Madras and Bombay, especially the former, delivered a very good sermon in the Supreme Legislative Council the other day on the subject of general taxation, although the text provided for them was the meagre one of a Punjab Municipalities Bill. Mr. F. S. Chapman also made a very suitable demand on the Finance Minister, when he asked that the Council and the public shall be furnished with some tolerably full statement of the total amount of taxation "of every kind and description to which the people are subjected." This reasonable request derives some little additional significance from the coyness with which it was treated by Sir Richard Temple, the insinuating suggestion he made to His Excellency the President that the Executive should throw its shield over him, and the bland firmness with which Lord Napier of Merchistoun declined to see any objection to the Finance Minister complying with the Hon. Mr. Chapman's request. As to

Sir Richard's attempt to put off the member for Bombay by referring him to the last Financial statement, it was simply an instance of the evasion parliamentary. . . . .

The Hon. Mr. Robinson, in his "story out of school," and his skilfully selected extracts from the debate of 1867, has thrown a grim or humorous gloss over that specious phrase—"in so far as any fresh tax may be needed in any part of India, the disposition has been to rely on local rather than imperial arrangements." Even the Madrasees are fully to be relied on in responding to that "disposition." But Mr. Robinson is so faithful as an imperial legislator that he exposes his own provincials, several of whom, as he avers from personal knowledge, have "absolutely turned over the whole or nearly the whole of their local obligations to the trade of the country by means of a system of tolls." . . . Mr. Maine agreed to the measure rather in the light of an indemnity Bill, and admitted that its taxing powers were very large. No one can doubt that imposts on commerce, checks on production, and pressure on consumers, both in price and taxes, must have been largely enhanced under the shade of a law which, as Mr. Robinson affirms—"contains neither administrative nor popular provisions, and is absolutely devoid of everything that serves either as a safeguard to trade, to the public, or the ratepayers."

But it is not only the Punjab that must be thought of. All India is more or less covered with "these trade-trap municipalities throughout the country, each ready 'enough to shift their local obligations to the trade of the country;'" therefore the member for Madras deserves credit for throwing the whole subject so fully before the Legislature. In this debate the Finance Minister was apologetic and "sanguine" as usual. He was quite correct in referring to the resolution of 1868 as a very sound and discriminating manifesto regarding the whole subject of town duties; but the question is how have the injunctions contained therein been observed? Sir Richard Temple, it is probable, had a hand in the drawing of that resolution; but, only a year or two previously, when Commissioner of the Central Provinces he had been one of the chief sinners against its principles. . . . . .

Amongst the various lessons which it is supposed the British administrator has to teach the people of India, none is more needful for them to learn, or more difficult to teach than the first of all fiscal principles—namely, that enforced payments for public purposes, that is all taxation proper, can only be equitably levied in proportion to the ability of each person or class called upon to pay them. The financial policy adopted by a large number of municipalities consists in a perpetual struggle to evade this principle; and it is the imperative duty of the Supreme Legislature to see that it shall be evaded as little as possible. It will be a very serviceable aid towards this end if, as Lord Napier said, the Council and the country can have laid before it—"a picture of the extent of municipal and local taxation in as accurate a form as possible."—*March* 14, 1872.

INDIA'S COMMERCIAL DEFICIT.

THE "Trade and Navigation" returns for the first quarter of the financial year—that is from April to June inclusive—being now to hand, we propose to select and arrange the totals of the different values, so as to show the movements of India's foreign commerce during that period. For all the country the returns of this quarter may be taken to present a fair average of the whole year. In Bombay it comprises the nine weeks during which our export trade is most active, and also the four during which the burst of the monsoon checks export business altogether, and interferes with most of the import trade. In Bengal and Madras during the same period, trade continues active, so that, as we have said, the quarter before us presents a fair average fourth of the whole year's foreign trade. It is seen at a glance that our import deficit—or whatever we may term the excess in money value of India's outgoings over her incomings—has continued in even greater ratio than was shown in our notice of the totals for 1870-1. Merchants and bankers have been quite well aware of the anomalous position of Indian trade during the last quarter; and, being prepared for it by the experience of the opening months of the year, will have made their own defensive arrangements accordingly; but few of them can be aware how exceptionally large is the discrepancy, for the quarter ending June, between the two sides of our national trade account. The aggregate amount of the whole trade shews a diminution for the period of nearly £1,500,000 sterling. The total export value has decreased somewhat; but the great deficiency is in imports of treasure, and this circumstance has far more influence on

the financial interests and fiscal capabilities of the country than would be caused by a similar decrease in the imports of piece goods. However strange it would sound to the "Manchester man," we believe it could be demonstrated that silver is more of a necessary of life in India than "either long-cloths" or "madapollams." . . . . . .

It is, of course, too early in the twelve months to point to any definite conclusions respecting results that could be deduced from the consideration of this quarter; though we may remark that both the opium and cotton exports of the three months considerably exceed a fourth of the probable totals for the year. This circumstance, of course, accounts for a considerable portion (perhaps from one-fourth to one-third) of the large excess of exports in the quarter under notice. Remembering the heavy balance of India against other countries, which closed the commercial year 1870-71, the results shown above cannot be reviewed as satisfactory either in an economic or business sense. They also declare a continuation of that impoverishing movement affecting our monetary resources which, to a comparatively young commercial organisation in a country entirely dependent on other nations for all augmentations in the supply of its metallic currency, is of vital consequence to the progress of commerce itself. Were there nothing to be taken into account but the ordinary relations and recognised laws of international exchanges which govern the movements of trade between independent countries, this abnormal condition would not appear. The disturbing cause lies on the surface in the augmented drawings of the Secretary of State on India. . . . . .

In case the question is raised as to the correctness of the official valuations for this quarter's figures, it may be as well to state that we have tested the two principal Bombay export items. Cotton and wool, taking the proper average in this market, are slightly overvalued. Cotton is entered at a fraction over 6d. per pound, the trade value during the period having been a fraction over 5½d. Wool entered at little under 7½d. has been reckoned in value at a small fraction less. The percentage of excess value is trifling; so the figures of the totals given above may be regarded as substantially correct. But we ought to deduct from the balance against us, the amount of "entaced paper" sent back to India. From what we can ascertain on this point it is not likely that the deduction would amount to the seventy-one lakhs of the balance—which leaves India worse, as reckoned in money, by £9,000,000 in one quarter's trade.—*Oct.* 5, 1871.

OUR ONE-SIDED COMMERCIAL BALANCE-SHEET.

THE current monthly returns of Trade and Navigation are out in good time. We have received the part for December, which, as it includes three-quarters of the year, will be very suitable for purposes of reference and comparison. With it is enclosed an additional leaf—purporting to show the "Comparison of 1871-2 (December and nine months), with 1869-70 and 1870-1,"—which, we fear, will prove for most readers merely the confusion of figures in the darkening of knowledge. With one glaring and fatal exception this fly leaf does really fulfil the promise of its title; but that might have been compassed with one-fourth the parade of figures and tabulated forms. . . . . .

We allude to the absence of the figures of Treasure; and now that this new form, No. 9,750, is presented in such fragmentary and useless fashion, we are constrained to conclude, what has often been surmised, that the Bengal men are really not acquainted with the first principles of international commerce. One cannot understand—except by making great allowance for the pressure of weighty affairs—how the talented men at the head of the department can allow the statistical branch to issue this table which, for want of the factor omitted, is utterly useless. One might as well attempt to understand the trade returns of Australia while omitting the exports of gold, as to make anything out of the Indian trade returns while excluding the table of silver imports. We have often aforetime tried to show the financial department how to arrange the totals of these returns so as to bring out the facts of our commercial position. Just now it is only necessary to ascertain what are the results of the nine later months of 1871 compared with the same period in the year before. . . . Thus it will be seen, whilst the value of the total foreign trade of India has been rather greater in 1871 than the previous year, the course of that trade has been less adverse: the balance against us being £6,000,000 sterling less than shown in the returns of the corresponding period of 1870—but what a discouraging national account it must be that shows more than

£10 going out for every £7 received! But for the present the question is how to make the results of these valuable returns intelligible: cannot the Financial Department, with all its resources, improve upon the little example we have again granted it?—*March* 12, 1872.

II.—The commercial account of India with the rest of the world for the ten months including January last was circulated a few days ago. Notwithstanding an increased influx towards the close of the year of the commodity called Treasure, the statement of international account continues to present that discouraging aspect to which we have often had to refer. . . . . .

Adding one-sixth for the two months short of a year, the total value of our foreign trade may thus be taken, in round numbers, either for the calendar year 1871 or for the financial year just closed, as £96,000,000 or £97,000,000 sterling. In 1865 and 1866, during the highest tide of Indian foreign trade, the amounts were £118,986,066 and £123,813,004 respectively. . . . We do not suppose the Finance Minister, who whilst we write is reading his annual statement, will trouble himself to go into a topic that he may regard as out of the ordinary beat; though most who ponder it will consider it relates to facts that are of paramount importance in the financial constitution of India. This will be clearly seen some day; and then the Finance Minister of the time will get great credit to himself for bringing to light one of the greatest anomalies in economic history, which he probably will do with such fulness of elucidation and nicety of adjustment as the resources of his office will enable him to apply to the demonstration. Meantime we should have thought that even a superficial optimist like Sir R. Temple would deem it worth while to bestow passing notice on the one baffling difficulty in India's financial condition. It may be thus stated—whereas the normal condition in the international trade of every country under heaven is to show a considerable excess in value of imports over exports, the contrary condition obtains with us in India, where the exports largely exceed the imports. The period now under notice wherein £17,250,000 worth of produce and bullion have been sent away without any return in kind, shows an exceptionably adverse result in degree; but this process is continually going on, though in some years it is partially disguised by loans taken up in England, or railway and other stores sent out.—*April* 9, 1872.

Scientific Economic Application of Above.

III.—As it seems difficult by direct statement to impress our administrators and financiers with any due perception of the dead weight they and the whole country are contending against, we will try the indirect method. And if a lady's help is at hand, why should we not avail ourselves of it, in order to put this old but little understood topic in its true light. In a recent number of *Macmillan*, Mrs. Fawcett has an article on "National Debts and National Prosperity," showing how and why the debt incurred for unproductive purposes poaches on the wages fund, and militates against national progress in a hundred ways. We do not intend to follow the main course of the talented and philosophical lady's argument, nor shall we consent to be beguiled into discussing the relationship between pauperism and the "present reckless increase of population," which forms the moral application of her statistical discourse. It is only an incidental analogy that we propose to draw from the material furnished us by the skilful writer. Mrs. Fawcett commences by considering the fiscal perplexities and financial discouragement under which France is vainly struggling, and she quotes from Mr. J. S. Mill to show "the exact danger in the present financial state of France." The passage is one that occurs in his chapter on "National Debts," where, after admitting that "there are circumstances when a loan is a convenient, and even a necessary expedient,"* he thus proceeds:—

* What we have to discuss is the propriety of contracting a national debt of a permanent character, defraying the expenses of a war, or of any season of difficulty, by loans, to be redeemed either very gradually and at a very distant period or not at all. The system of public loans in *such circumstances* may be pronounced the very worst which in the present state of civilisation is still included in the list of financial expedients.*

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* Although to students of national finance the mischief of taking up *in India* loans for unproductive purposes is made plain enough by the annotated passage from Mrs. Fawcett, it is desirable to obviate the chance of any misapplication to India of Mill's dictum on the general subject of public loans. Let us narrow

The point to be kept in view is the abstraction of funds from productive employment either in labour or trade. In Europe, as the economists show, this injurious result arises when national debts are increased to defray the cost of wars or for other unproductive purposes. In India we say a similar result is always to a certain extent inevitable, being the unavoidable consequence of alien rule, and the expenditure in a foreign country of a considerable fraction of our revenues. If we take a passage from Mrs. Fawcett's article —in which, following Mr. Mill, she explains how, because of the new war debt, funds are in France diverted from production—and blend with it the remarks needful to bring out the parallel results sustained by India through different causes, the combination may serve to open the eyes of many to the significance of the national commercial deficit displayed by the trade returns. Here is the passage from *Macmillan* fitted with the links we have supplied :—

"It must be remembered that only that part of the loan which was raised in France [or that part of the Indian revenue which is expended in England] is open to the objection that it will tend to perpetuate the stagnation of industry in that country [or in India] by absorbing the funds destined to be again productively employed. That part of the loan which was raised in London [or that part of the revenue laid out in India], for instance, will not have any depressing influence on the revival of French [or Indian] commerce ; nor will it produce any ill effect on England's [or India's] prosperity unless it can be shown, which is highly improbable, that money was in this country (*i.e.*, in India) withdrawn from production in order to be invested in the loan [or spent on unproductive purposes]. But notwithstanding all the extenuating circumstances that may be urged in defence, the fact remains that in so far as the money raised in France [or revenues expended in England] decreased the sum destined to be engaged in production [in India], a corresponding influence is exerted to prevent the revival of industry in this country (*i.e.*, in India)."

We need not take the trouble to trace back to Mr. Mill's passage the bearing of the conclusions here indicated. The results of revenue being withdrawn can be traced by careful observers throughout all the commercial and monetary affairs of this country. . . . We are not now about to discuss whether this abstraction of capital from India could be arrested, or how it should be compensated. The first step, as we have often said, is to get the fact recognised by our administrators here and at home. And just now, when the Budget is before us, showing a revenue charge of less than £50,000,000, it is desirable to point out that the revenue paid by India for its government is certainly £60,000,000, and perhaps nearer £70,000,000. This may be hard doctrine to our optimist official financiers, but let them ask Mr. Mill. If "a Government (in Europe) which borrows, does actually take the amount within the year, and that, too, by a tax exclusively on the labouring classes," it is tolerably clear that the funds drawn from this country by reason of being under a foreign Government must be added to the revenue charges which appear in the Finance Minister's statement.—*April* 10, 1872.

THE MONEY LENDER—TO BE USED NOT ABUSED.

THE best abused class in India, under whatever name it takes in different provinces—Bannia, Mahajan, Soukar, Marwaree—is that of the money-lenders. It would be needless our stopping to enquire how far this popular opprobrium is deserved; but we may remark the sentiment is not peculiar to this country. Something similar has been current enough in Europe; and Shakespeare only crystallised the popular antipathies of his time,

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the question thus :' if, and when the Indian Government *must* raise loans, either by reason of reckless military expenditure, or even for the rapid promotion of irrigation and other productive works, it is always more "convenient and expedient" to raise such loans in Europe than in India. This is (*a*) because in Europe loanable capital is practically unlimited, whereas in India the limit of such spare funds is soon reached; (*b*) hence, while the advantage to the Indian Government of borrowing in the West rather than the East is represented by a large percentage, the spare funds thereby left (*c*) in India remain available for that "productive employment either in labour or trade" which, as Mill points out, is checked by the loans taken up in any country not overflowing with capital. It is true that remittance of interest from India on such loans involves a certain cost; but that is far outweighed by the capital of the loans taken up in England being applied to reduction of the Secretary of State's drafts on India, as was the case during the payment in of the large railway loans prior to 1873.—See Mr. Goschen's "Silver Committee Report of 1876;" also *East India Association's Journal*, Vol. XV., Part I, 1883.

in dealing with his character of *Shylock*. Society hates the money-lenders just at that stage in the course of civilisation when his need is most felt, when his thrift and "abstinence" is of the greatest value to those who desire to utilise his hoards, and when, owing to the backward state of education, or the defective state of the law, the craft and precaution of the keen miser-capitalist frequently give him signal advantages over his suitors and debtors. The condition of Indian civilisation in the mofussil may be said to approximate to that intermediate stage of advancement we have indicated—with one important exception. That is, no one can allege any defect in our laws so far as they are available for the collection of money due and debts admitted. In this respect we have put a power into the hands of the man of bonds and money bags, which gives him an enormous advantage over the unthrifty peasant, the illiterate cultivator, and the unfortunate of all classes.

We have been led to notice this rather trite subject by our attention having been drawn to the following passage in the "Hyderabad Administration Report," in which the able writer endeavours to show how far the agriculturists of the Berars are likely to sustain that recession in prices and scarcity of money in the Indian mofussil which thoughtful men have been watching during the last three years :—

> The thirty years' settlement is now in force throughout the greater part of the Province; and the moderation of its rates is being fairly and gradually tested, by the fall of cotton prices toward their natural level, by the rapid contraction of pasture lands, and by the reservation of forests. During the past year, the fall in the price of cotton, and indeed of all produce, has been very perceptible; yet the assessment has given no symptoms of a strain; though it must be remembered that the effect of an overweighted *raiatwaree* settlement has to be looked for mainly in the year succeeding a season of trial. For the *bania*, or money-lender, has taken deep root, it must be confessed, and spread far and wide over the villages of Berar—as, indeed, where in all India has he not—and in a bad year the people manage only too easily, with his assistance, to meet the revenue demand. But in the following season cultivation contracts, since the tenants' capital is gone. It is not anticipated, however, that the decline of prices will be followed by any alarming consequences for the Beraree; and those of the district officers who are most capable of judging have recorded their opinion that the people of these provinces are still better off than their neighbours. The fly in the pot of honey is, perhaps, the aforesaid money-lender and usurer. With courts of justice distributed so freely over the country as they now are, the facility with which this "fisher of men" can recover his dues is greater than it once was; and the sweep of his net cannot but have extended itself in like proportion. The question of how best to check this growing evil is equally difficult and important.

The discrimination shown in the former part of this passage is only such as we should expect from the skilled writer—whose individuality is almost identified by the ultra-scientific orthography of his Indian words; but is not that quality somewhat deficient when he proceeds to speak of the *bania* with the sentiment, though not, of course, in the language of the vulgar? Are not the metaphors—"fly in the honey pot," "fishers of men," —more suitable to the ears of the groundlings, than to the pen of an administrator who desires to keep the ultimate good of the whole social fabric within his impartial ken? Is it not a public advantage rather than "a growing evil" that the money-lender *has* been able to "take deep root" in the Berars? . . . . . .

It appears to us that this "growing evil" of the prevalence of the money-lender, is only to be met by treatment founded on the homœpathic principle of "like cures like," but applied in allopathic doses. The country wants *more* money-lenders and plenty of them. But the "growing evil" which the Resident of Hyderabad has misnamed, is a very real one, that of impecuniosity—the scarcity of small savings, and the difficulty which the cultivator and the artisan finds in keeping up his small store, either of stock or money, when he seems to have got ahead by a single season. India is vastly richer in the proper sense of that term, as a whole, than she was in 1855. It is open to doubt whether she is so wealthy as in 1865; but quite certain that during the last three years the masses of society have not been so "well off" as they were eight or ten years ago. We are not going to dive into the causes of this slight, perhaps, temporary, but certain and distinct retrogression in the pecuniary condition of the people. Our text just now is the money-lender; and instead of trying to check him as a "growing evil," we should give a willing ear to any one who can show how he may most speedily be increased and multiplied, not only in the Berars but all over India. . . . . .

There is a noble money-lending institution called the "Land Mortgage Bank of India," which has made no impression on landholders in India (except the tea companies); though we believe its earlier managers missed their way very much by advancing its

funds on building property, and, in big lots, both on this side of India and the other. Would it not be possible for a picked committee—consisting of, say, an experienced revenue officer, a subordinate judge, and, perhaps, one of the much abused *bania* class—to put this institution into some way of making small advances at the moderate mofussil rate of ten to fifteen per cent., and on the security of the survey holdings in this presidency? It strikes us this would be fishing after men to some purpose: and the sweep of such a net would leave behind it valuable fructifying seed.—*March 7, 1872.*

THE ADMIRALTY AND NAVAL CHARGES ON INDIA.*

AS it is quite settled that the Select Committee of the House of Commons on Indian Finance—full reports of which we commenced last week—will not be supplemented by the sending out of a Royal Commission, it is well for those in this country who are fully acquainted with topics coming before the Committee, to take note where the witnesses trip or display their shortcomings. For instance, it may be doubted whether General Pears or Mr. Seccombe themselves throughly understand the terms on which the half dozen Royal Navy ships are lent to the Government of India at the "moderate" charge of £70,000 per annum. . . . . .

Here it must be observed that the little discussion just quoted refers only to three vessels, which may or may not be employed in the Persian Gulf. In respect of these gunboats, General Pears seems to be quite convinced that the said Royal Navy Captains *are* under the orders of the Resident at Bushire; but, for all that, we incline to think that Sir Stafford Northcote had his reasons for putting the very precise interrogatories we have quoted, and also that the doubt raised by him is not cleared up. We may go further and say there is reason to think—first, that the Royal Navy vessels which happen to be stationed in the Gulf are *not* "distinctly placed under the orders of the Resident;" and, second, with regard to the other two, three, or four Navy ships, as the case may be, there is still more reason to believe that these ships, their captains, and armaments are not "subject" either to the Governor of Bombay or the Governor-General himself. . . . It might, therefore, turn out on due enquiry that any power Col. Pelly exercises over these three ships in the Gulf is in virtue of his position as British Consul, and not as a political representative of the Indian Government—although, as stated in the reply to Mr. Dickinson, the purpose of these vessels is "to keep the peace in the Persian Gulf, to support the authority of the [British Indian] Government, and to suppress piracy."

But if similar enquiry were made respecting the ships not in the Gulf, we venture to say it will be found they are distinctly *not* under "the orders" of either Sir Seymour Fitzgerald or the Viceroy. So tenacious of power is the Admiralty or the British Government, that a Royal Naval Captain or a Lieutenant, if in command, is left to exercise his own judgment before complying with any requisitions that may be made by those high political functionaries for aid "in keeping the peace, or in supporting the authority of Government." . . . But we believe it will be found that in case of the Navy vessels serving in the Persian Gulf, all their stores, coal, and repairs are supplied by the Indian Government—in addition to the £70,000 paid to the Admiralty for the use of the six and their crews.

This annual charge of seven lakhs for six vessels, and what India gets for it—the cost and real value of the Monitors forming part of our harbour defences—the heavy charges connected with H.M.'s Indian troopships, and the very small fractional share borne by the home Government—form a group of questions that will demand the very closest consideration when the Committee comes to draw up its report. In connection with the last, there is a big item which has entirely escaped the Committee's notice. We refer to the Hydraulic Lift Dock, and the question who authorised that ill-advised expenditure of £500,000 of India's money. There is a fine haul for Mr. Fawcett in that direction. Admiral Mends, and everybody connected with the organisation of the troopship service, may repudiate all

* This system of making India pay a large proportion of the cost of H.M.'s naval armament in the Eastern Seas is still kept up—charges which are not levied on the Colonies. Since the period referred to above, the insidiousness of that system has been accentuated by quartering on the Indian revenues an Admiral or other superfluous naval officer, most of whose time being spent with the Supreme Government in its inland migrations, led to one of the local satirists speaking of Admiral Bythesea as "the whole seafaring population of Simla." (See also pp. 373-4.)

responsibility for this splendid and costly toy at Hog Island; but there it stands to the debit of that service, and those concerned must get out of the reproach as they can. Now that the troopships have turned their back on the Lift by being taken through the Canal to Portsmouth for repair, perhaps the cost of that contrivance can be foisted on the Port Trust! . . . There are no complete accounts of these troopships since 1869; the Admiralty complains of this to the Secretary of State, and His Grace complains to the Government of Bombay because of imperfections in the statement of account. . . . This, it seems to us, is a matter of pressing practical importance to our finances; for, as Sir James Elphinstone says: "It appears to me that England is handing over ships which are of a very much more expensive character than the ships would be which the Indian Government would provide for themselves, and which could be moved at half the cost by the recent improvements in the form of steam engines."—*April 3*, 1872.

VICARIOUS GRATITUDE: POLITICAL MEANNESS.

HAVING already (on the 12th) expressed our views in reference to the proposed grants to Lady Mayo and family, we should not care to recur to the subject but for the sake of noting that since we last wrote on it there has been amongst home politicians an increase of enlightenment and liberality regarding England's obligations in this affair of imperial moment. . . . Having only the "spirit of the Press" to guide us, we have a right to assume that the daily papers represented public opinion in thinking—either that the grants of £1,000 pension and £20,000 endowment were being paid out of the British exchequer, or that it was India that should be looked to for doubling both the grants. The remarks of five dailies on this subject are before us; and from the *Times* down to the *Globe* only one writer allows it to be seen that he knows from *what* revenues it is that he would provide the royal largess he exhorts the nation to bestow. The exception is the *Daily News*. The writer in that paper avowedly appeals to the "Anglo-India community" and "the intelligent native" as if to save their "British fellow subjects at home" from the disgrace of a "parochial liberality" and a "sense of humiliation" which the said "British fellow subjects," so far as the *Daily News* is concerned, shall not give a shilling to avert. We have heard a good deal about "parsimonious gratitude;" but this vicarious gratitude recommended by the *Daily News* strikes us, to use its own words, as "something inexpressibly paltry"—and politically mean. Now that a better note has been struck, it would not be worth while to refer to this false and sordid strain; but we fear that this able and influential journal reflects only too accurately the narrow and selfish views which obtain amongst many "Liberal" and not a few Radical politicians concerning the value of India to England, and the claims that this country has on the empire to the greatness and wealth of which it has contributed so enormously.

The improved tone on this topic, which we have so much pleasure in acknowledging, is observable both in the question of Lord Ronald Gower and the motion of Mr. Bernal Osborne. . . . The telegram we printed on Saturday tells us, Mr. Gladstone announces, that—"in deference to the general feeling of the nation an additional grant will be made to Lady Mayo." It was not needful to explain in the telegram what revenues the new grant would be taken from; but, having regard to the terms of Mr. Bernal Osborne's motion, there can be no room for doubt that the nation which has expressed a "general feeling," so honourable to itself and creditable to its imperial instincts, will rejoice in the privilege of paying for such an unwonted luxury. We hail this incident as the turning point after a steadily unbroken course of selfish financial policy; and as an earnest that, ere long, England and the British tax-payer will honestly share some of the cost of sustaining the connection between this country and that Empire of which India forms such a large and essential portion.

FISCAL TINKERING AND LAVISH FINANCE.

IN one respect our Supreme Legislative Council affords a striking example to the British House of Commons. Our Indian legislators when they are in Session work "like Trojans." After their great field day of last Tuesday, when they passed the Criminal

Procedure Code, they had another seven hours sitting on Wednesday, a succinct but suggestive report of which is presented to our readers this morning. On the latter occasion, instead of grappling with abstruse legal questions and the most comprehensive problems of jurisprudence, a pursuit in which few of our readers would care to follow them, they dealt with topics of every-day emergency which concern the whole people—tax-payers, merchants, or peasants. . . . . .

In this debate the sham character of our quasi-parliamentary system was made painfully manifest. Mr. Bullen Smith, though as strongly as ever opposed to the tax, would not divide against it; and that "stanch supporter," though frequent critic of the Finance Minister, Mr. Chapman, voted for the renewed levy on the weak excuse of the transitional position in which the Supreme Executive stands. Some such feeling seems to have induced the acting Viceroy to accord his support to the Bill; though we regret to observe that both he and General Norman repeated the utter fudge about that particular tax being needful to secure the small surplus which figures in Sir Richard Temple's farcical estimates. We do not quite subscribe to Mr. Bullen Smith's remark that the tax he was about to vote for is "an unmitigated evil." That characterisation is perfectly true so far as the levy is pressed down to and below incomes of Rs. 1,200 per annum; but the strong practical argument against the reimposition of the tax is that afterward mentioned by Mr. Smith, and more fully dwelt upon by Mr. Chapman —namely, that its retention is not made the means of reducing or abolishing other imposts which cramp the operations of commerce. It was in this way that an income-tax in England—where it must be remembered every facility exists for its collection—became, in the hands of Sir Robert Peel, and Mr. Gladstone after him, a lever for effecting enormous fiscal reforms in other branches of revenues. We are glad to see that "Bombay Chapman" pointed out some directions in which, seeing the tax is to be retained, other imposts should have been remitted. He condemned the export duties on grain which, as he justly remarked, are indefensible; and we cannot but think that had the Calcutta and Rangoon merchants exerted themselves a little more, this injurious impost might have been abolished. Similar remarks apply to the transit duties or land customs line. We are glad to see that our representative pressed also for equalisation of the salt duty in the sense of reduction; but regret to notice that he forgot the stamp duties, which are open to still stronger objections in principle. . . . . .

Merchants and bankers will be curious to see the text of Sir Richard Temple's speeches, for our correspondent says he "very fully described the extent, nature, and liabilities of the cash balances." We wish we could accept the retiring Viceroy's bland assurance that the Finance Minister has "satisfactorily explained" the necessity for, or advantage of keeping more than £20,000,000 sterling in the till of the State. . . . There is, indeed, one supposition not yet hazarded—perhaps Sir Richard Temple is "saving up" so as to be prepared to pay off the Nawab Nazim when his claim for £12,000,000 of arrears shall be endorsed by the Secretary of State. If this be considered a wild notion, it is not more extravagant than the wasteful practice of borrowing money for public works which the department is unable to carry out, or dragging funds from the masses of the people to leave the money lying idle in the banks.

It is an unanswerable proof of the ineptitude of our official financiers that now, whilst this huge sequestration is maintained, the direct transfer of revenue from India to England is greater than ever before. The Hon. Mr. Campbell, following up the conclusions expressed many years since in his "Modern India," points out that "so enormous a tribute is politically dangerous." We have been reproached for making use of that term, and for uttering warnings similar to those now expressed by the Lieutenant-Governor of Bengal; but the time is fast coming for the question to be asked whether it is decent—to say nothing of political justice—for England to retain all the advantage of Indian empire without contributing a single pound to the maintenance of the connection. Sir Richard Temple, in replying to Mr. Campbell on this point, appears to have been characteristically superficial.*—*April* 22, 1872.

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* As to the Income-tax question, briefly referred to above, see also pp. 357—60; also pp. 374—6. The subject of unduly large cash balances and the proper custody thereof, was concisely treated in a despatch from the Secretary of State (No. 256), dated June 30, 1874, which dealt with the question of how far those

INDIA'S ONE-SIDED FOREIGN TRADE:

Adjustments Required.

"No. 12 of the Trade and Navigation Returns for 1871-72." This document brings the statement to the end of March, and presents the balance sheet between British India and the rest of the world for the twelve months then completed, bringing forward also the figures of the two previous years. Once more we hope that the grim significance of these figures will challenge the attention of some fresh students in the science of national wealth and poverty, who may not previously have been aware of the anomalous position in which India stands after its transactions with foreign countries are completed. Here we present the total figures for the three years:—

FOREIGN TRADE OF BRITISH INDIA.

	Twelve months ending 31st March.		
	1869-70.	1870-71.	1871-2.
	Rs.	Rs.	Rs.
Total Imports of Merchandise	32,92,75,198	33,41,39,058	31,08,37,474
Do. do. Treasure	13,95,48,072	5,44,48,231	11,57,38,129
Total Imports	46,88,23,270	38,85,87,289	42,65,75,603
Total Exports of Indian Produce	50,67,95,443	53,55,16,812	61,69,72,252
Do. do. Indian Treasure	1,04,23,528	2,22,07,646	1,47,60,925
Total Exports	51,72,18,971	55,77,24,458	63,17,33,177
Excess exported by India [Rs. 10 = £1] ...	= £4,839,570	£16,913,716	£20,515,757

This means that after India has traded for a year, the country, as a whole, is £20,000,000 worse than when it began, that there is that amount of material wealth in the country less than in March 1871—that for each 31 rupees' worth sent away, India has only received 21 in return. Of course everybody is aware, as we were recently reminded in the most jaunty style by a Calcutta contemporary, that this represents the price which the weak and shiftless people of India pay for the priceless blessing of good Government, and for that peace at home in which alone there can be any chance for prosperity. Still it must be confessed the price is very high; and anyone who has the slightest care for the welfare of the country, even those who acknowledge the tie of self-interest alone, must desire to know whether there are any adjustments to be applied to that ruinous looking debit, and above all, if there are any means by which the course of our foreign trade can be rendered less adverse.

As to adjustments, there is, first, the obvious one of striking an average of the three years, which reduces the deficit to £14,090,000, a figure which is sufficiently formidable. Another adjustment, that at once suggests itself, adds to the deficit. We refer to the re-exports of foreign merchandise, which, not being consumed by India, are virtually lost to the nation. In 1871-72 these amounted to nearly one crore and a-half (£1,488,622). But the more important and essential adjustments are those which relate (1) to the transfer of Government paper backwards and forwards between India

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balances should be held by the Presidency banks. The system then obtaining was subsequently modified by withdrawing a considerable portion of the balances from those banks and replacing it in the Government of India's treasuries. This course having recently been complained of by the mercantile public in India, the whole subject—somewhat complicated, as it now is, by the decline in the exchange value of the rupee—is fully dealt with in the current Financial Statement by Sir David Barbour, paras. 105—11. See also an interesting practical illustration of the effects of unduly large cash balances as given in our subsequent extract on pp. 401-2.

and England; (2) the taking up of railway and other loans in England; or (3) discharging any such capital obligations. As to the first of these factors: we know that in December 1871 the amount of "enfaced paper" held in London was nearly four crores less than in December 1870, that may be considered to reduce the excessive debit of last year (after the addition for re-exports) to £16,250,000. As to the taking up or payment of loans, it is exceedingly difficult to get the figures accurately on both sides. We know in a general way that no loans were taken up last year; and also that a very considerable amount of debt was incurred in 1869-70, a circumstance which may go a long way towards accounting for the unusually small balance against Indian trade that year. In the same year there was a repayment of nearly £1,500,000 from the British treasury for the Abyssinian war expenses. This also would be equivalent to an addition to the imports, and helps to account for the small debit shewn in the trade returns of 1869-70.

But, as we have shown on many former occasions, the more these financial adjustments are looked into, the more striking is the discrepancy revealed between India's total outgoings and incomings. . . . . .

Thus a general test of the official valuations in 1871-72 brings out nothing to modify the uncomfortable statement that, so far as material wealth is considered, India was £20,000,000 worse for its last year's foreign trade. It may be asked—how, then, are persons found to engage in commerce when the aggregate result is a dead loss? We suppose it is quite possible for each individual engaged in conducting that trade to strive for and generally secure his own remuneration. To the merchant shipping cotton, and the ship-owner charging freight, it does not matter whether they import piece goods in return or receive a bill which gives their agent a demand on the Accountant General, and through him on the Collector and ryot. There is the fact of the deficiency; and it must be borne by the producer in the long run. It would afford a curious, but a very useful practical lesson, for some professor of political economy to trace out this chain of causation.* As to how to redress the balance, that is too large a question to enter on here; and as we have often discussed it, there is no special need to do so now.—*June* 4, 1872.

THE SELECT COMMITTEE OF 1872-3:

Struggles with the Experts.

THE examination before the Select Committee of Messrs. Harrison and Gay, and their vain attempts to "insense" Messrs. Fawcett and Ayrton into the mystery of provincial taxation, when compared with the clear straightforward evidence of General Strachey in unveiling the organisation of the Supreme Executive, and explaining that of the great P. W. D., affords a contrast at once amusing and instructive. . . . Mr. Fawcett thought he had come upon an amazing and ominous disclosure, namely, that the Government of India, by this device of "provincial" (miscalled "local") taxation, had sought to shunt away a large amount both of taxation and expenditure from all chance of future observation either by Parliament or the Secretary of State. It was in vain Mr. Harrison pleaded that the "provincial" accounts would be presented along with the usual financial statement, expounded in the House of Commons by the Secretary or Under Secretary on some sweltering evening of July. Mr. Fawcett's "point" was, that under the new system, Parliament will not "have the slightest guarantee that it will be informed of the amount or character of the taxation imposed." After a further unavailing remark by Mr. Harrison as to the "intentions" of the Government of India, the Chairman, Mr. Ayrton, proceeded to snub the member for Brighton by telling him he was "embarrassing the witness by asking questions which are based on an error," and then proceeded himself to make the blundering statement—an astounding mistake for a quondam Bombay solicitor—that "there is no distinction between the Government of India and the local Government." After this slight tiff was over, Mr. Fawcett turned again to worrying poor Mr. Harrison about the change, "the exact nature of which," the acute Professor himself was "utterly unable to understand." After this had gone on a few minutes, the "member for Oude"—who appears to have been

* This is done in abstract form and general terms in Mill's "Principles of Political Economy," Book III., Chapter xxi., Section 4.

either dozing, or indulging in prolonged ventrical laughter—broke in with the pertinent leading question, "are the roads shown in the imperial accounts?" But this availed not to deliver the tortured Controller on when Mr. Fawcett was "down again," causing him to take refuge in the device of reading some generalising passage from a despatch or Government of India resolution—an expedient which has become so common with Mr. Harrison, that if any members of the Select Committee have a sense of humour, they must thereby be reminded of Mr. Barlow's tedious young pupil in *Punch*, who was ever ready, at a moment's notice, to repeat to the Bow Street Magistrate or anyone else, such stories as that of "Arbaces and the Intelligent Porcupine." At this juncture, Sir C. Wingfield seems to have relapsed into a state of abstraction; but it is gratifying to observe that after a while, when the member for Brighton and Mr. Harrison were taking breath, Sir Charles interposed with two explanatory questions, which make clear the whole principle on which the "provincial" taxation and expenditure system is founded.

This was not before Mr. Fawcett had done his best to run to earth the authors of the income-tax in this presidency on poor wretches whose "profits" can be guessed at Rs.50 per annum; but his efforts were vain. He wanted to know if the proposition for this rural levy had been laid before the Secretary of State, so that Parliament might have the right to censure that functionary if it thought fit. But neither Mr. Harrison nor Mr. Gay could say whether the Indian Secretary knew anything about our provincial taxation; whereupon the desparing member for Brighton, addressing Mr. Harrison, exclaimed—"Who will give me any information? You are Controllers of Accounts for India." To this the Controller, who controls nothing, replied—"Yes, but that [knowing how far the power and interference of the Secretary of State extends in fiscal matters] is apart from my duties!" . . . . . .

On turning to the examination of General Strachey, one comes into a totally different atmosphere. The witness takes the lead and the Committee become learners, and with good reason in this case. General Strachey has only passed through a short and, on the whole, very smooth Indian career; but his experience is as old as the Public Works Department itself, and his relations therewith have been so intimate and central, that no one could be better qualified to explain its organisation and illustrate its connection with finance and expenditure. He is no partisan of the P. W. D., and is alive to its defects on the financial side. It is not always our fortune to coincide with the gallant General in his views on particular projects; but we have always acknowleged that there are few, if any, of our public men who have a clearer perception of the value of money for the Indian masses, the culpability of waste, and the necessity for securing remunerative returns on all public works that in any way came under the head of productive. He does, indeed, appear to depart from his own principle when—after giving the best exposition yet afforded of the difference between "ordinary" and "extraordinary" works—he reproaches the Finance department with having borrowed the funds for irrigation works instead of allowing P. W. D. to squeeze them out of the annual taxation. Here the Finance department is right and the General wrong. . . .

General Strachey loves to state a startling opinion as he does, when, at this time of day, he declares, "I think the making of the Indus Valley line a great mistake." Why did he not hint at his reason, which is, that he considers that more canals should first be made to create produce for the railway to carry? But this objection only fairly applies to the barren and abandoned project of the left bank line. We will tell the gallant General what he could himself, if he were minded, demonstrate to be the great mistake, namely, that there is no need for a metre gauge line from Kotree to Mooltan (he puts it "Mooltan to Kotree") to lose two or three lakhs a year. But, unfortunately, General Strachey, with all his skill, science, and financial talent, has one foible—he clings to the tradition that the Hooghly is the entrance gate of India, as in the days when the only route was round the Cape. We believe he is as much responsible as anyone for the absurd plan of beginning the Indus Valley line downwards from far inland Mooltan, instead of upwards from the sea and Kotree. . . . If, however, General Strachey will have the courage to point out a modern instance of "the worst cases of extravagant expenditure (which) have arisen from interference from England," we would suggest that he should relate to the Select Committee the yet secret story of our Hydraulic Lift, its rise and progress from Westminster to Hog Island.—*July* 1, 1872.

General Strachey at Fault—a Huge Omission.

II.—The "pre-arranged" categorical evidence placed before the Select Committee by Mr. Grant Duff and General Strachey, which was detected by the lynx-eyed member for Brighton, has been read with much interest in India, but not without a little surprise. General Strachey, if not misreported, has seriously damaged his reputation as a politician and financier. If he desired to disabuse the Committee of the superficial English notion that the Budget of the Indian Finance Minister is comparable to that of the British Chancellor, it was all very proper to point out that the Indian balance-sheet contains £3,000,000 or £4,000,000 per annum for public works which do not come into the English one. But Mr. S. Laing has done this much more clearly in his evidence given a fortnight later. When an experienced administrator like General Strachey can deliberately contend that the Indian people are thriving, and that our revenue arrangements are not oppressive—*because* in less than one decade £19,000,000 of current revenues have been spent on permanent works, nearly half of it on unsuitable barracks, and *because* not only has this vast sum been withdrawn from the wages fund and floating capital of the country, but that £5,000,000 more have also been withdrawn, and now lie idle in the Treasuries, it is high time to ask where we are drifting? Lord Northbrook cannot intend that India is to be left to the tender mercies of a policy which thus squeezes from the people their savings and profits as soon as made. The financier who can stand up and attempt to justify the destruction of the scant profits of the Indian people in barracks and other unremunerative works—for this is what General Strachey does—is *ipso facto* disqualified from being accepted as a financial guide. When he says "*we* have virtually saved £18,000,000," the fact pointed to is that the State has *consumed* that sum, when three-fourths of it should have been left to fructify in the pockets of the people. The extensions of railways have in the period referred to by General Strachey—1861 to 1869—undoubtedly added largely to the material and mechanical forces of the country; but even this would not have availed to support the people under the enforced transfer of their savings to unremunerative public works and the vaults of the Presidency banks, had it not been for the substantial aid from without in the shape of £50,000,000 of English railway capital and other loans. This enormous factor in the financial history of that eight years, if not entirely ignored, is pushed out of sight by the gallant and skilful witness's way of putting the facts . . . . .

Let us here supply a few of General Strachey's more palpable oversights, and we trust the Committee will insist on having those blanks filled up which must be apparent to the eye of any proficient economist who scans the Royal Engineer's imposingly prepared statement. First, let Mr. Fawcett, Sir C. Wingfield, or any member who really perceives the economical significance of the weighty matters brought forward in General Strachey's statement, demand of him why he stopped short at the totals of 1868-69? When he was offering the figures of imports and exports as a "test" of the "condition of the country," it was a poor excuse to say that 1868-1869 was "the last year he had for reference." The Committee had a right to expect, from a presumably competent witness, that they should have the very latest and fullest statement of facts in regard to an all-comprehending and an all-including subject of this kind—one which, in fact, if fully stated in every respect, covers the whole field of their inquiry. The returns of the "Sea Borne Trade of British India" have been available in London to anyone since February last, and the totals of the returns for 1871-72 appear in our "Summary" of June 7. Of course, General Strachey would scorn to accept his facts from any editor, "able" or otherwise; but he knows the very shelf in the India Office where he could find the "Trade and Navigation" returns up to date. . . . As we happen to have the figures for those three years in a handy and compact form, we subjoin them for the benefit alike of General Strachey, Mr. Ayrton, and his colleagues. [See page 391.] It will be seen that our little table brings out one notable result to which the witness did not draw the Committee's attention. Probably General Strachey has never had his own attention sufficiently awakened to the significance of the fact, which cannot be too often repeated on suitable occasions, until the House of Commons "takes it in"—namely, that, contrary to the rule amongst all other commercial countries of the world, the value of India's export largely exceeds the figures of her imports. In the last three years, as exhibited above (page 391), the aggregate of that excess reaches the enormous figure of £42,000,000; showing, since the exceptional era dealt with by the Committee, an annual average of £14,000,000 sterling more of commodities and treasure sent away from this

country than is brought into it from abroad. . . . In the three years 1859-61, that is, just before the General's figures commence, India borrowed nearly £25,000,000 in England, which would form part of the £37,250,000 of imports in 1861-62. But let that pass, while we turn to ask Mr. Grant Duff's oracle—why he forgot the influx of railway capital, when pointing so triumphantly, as disproof of pressure on the people to the increased consumption of imported merchandise apparently shown by the trade returns of 1868-69? General Strachey, of all men, could not be unaware that in those nine years—1861-69—FIFTY MILLIONS of English capital had been expended on Indian railways (the exact amount was £50,037,878), and he should be one of the first to acknowledge that this very considerable addition to the pecuniary means and mechanical power of the country on one hand, and to its debt on the other, are factors of primary importance.

Yet not a word of this appears in connection with the carefully marshalled figures before the Committee; though we should have thought facts of this order had a very close bearing on the question how the condition of the country has been maintained, whether it is in a "deteriorating condition," and if there is anything to indicate the presence of pecuniary pressure or not. And when General Strachey claims that the 13½ millions of increased imports of merchandise in 1868-69 represent what "the people of India have been able to buy and pay for," he should be reminded that the £35,000,000 of imports of that year included nearly £2,000,000 worth of railway materials, military, and other Government stores. We are quite willing to accept the £13,500,000 increase of imports in those eight or nine years as a proof, so far as it goes, of the improved purchasing power of the people of India within that time; but most of that improvement can be accounted for very simply without satisfying one that any distinct step in the material condition of the masses had been gained. In 1861-62 the country had scarcely recovered from the unsettlement of 1857-59, and a heavy income-tax was being imposed; while in 1868-69, not only had all natural recuperative forces had time to operate, but the special stimulants of suspended home charges, loans, and lavish expenditure on railway extensions and other public works had been in full play.

To take one illustration at hand: we are not in a position to dispute, and are inclined to accept as a general proposition, General Strachey's opinion that the service done to the country by our present railways may be measured by twice the amount paid in traffic rates; but it does not follow that because cartage on a large scale can be *hired* at 3d. to 4d. per ton, that therefore the cultivators and small dealers can find *money* to pay at that rate or even half of it for the carriage of their commodities 50 or 100 miles. This uncertainty as regards the amount of money, the number of rupees actually within reach of the cultivators and their backers, the money lenders, must baffle many of the most plausible calculations of our irrigation engineers and revenue surveyors. There are in India certain obscure, but all pervading subjects for economic investigation, in the study of which General Strachey, like many more of us, has yet very much to learn.—*July* 25, 1872.

A RETIRED FINANCE MINISTER ON IMPERIAL OBLIGATIONS.

III.—It is impossible that we can advert to more than a tithe of the striking opinions and suggestive statements put before the Select Committee of the House of Commons; but we doubt not that our observant readers are taking note of what strikes them in the evidence as likely to prove of practical service in future discussions. The Committee have an enviable task before them, considered merely as a work of art. Having this mass of manufactured material to choose from—provided by witnesses who knew what they "were going to say," and many of them men of mark—the sixteen Committee men must be made of very commonplace clay, if, treating this work of many colours on eclectic principles, they cannot weave from it a brilliant web which shall display in artistic proportions the most perfect constitution, the most completely reformed and suitable fiscal and financial system that any subject dependency of a great Empire ever enjoyed or desired. . . . Take, for instance, Mr. Massey on the great subject of federal and local finance, his evidence on which broad subject appeared in our issues of last Saturday and Tuesday. As in 1866 we had the privilege of perusing—of course under strict injunctions against indulgence in quotation—the minutes on decentralisation drawn up by Mr. Massey and other members of Lord Lawrence's cabinet, it would be for ourselves a specially interesting task to compare

in detail the Finance Minister's somewhat constrained and irregular remarks of to-day, with that earlier and, perhaps, more equitable view of the whole subject as developed in his original treatise on the great project, and which might fairly be dignified with the name of a State paper.

One would have supposed that a retired Finance Minister would have cherished sufficient interest, if not in India, at least in the reorganisation project he had the honour to inaugurate in the bureau, so as to induce him to procure a copy of the document under direction of which that project became law and practice. But Mr. Massey confesses that he had never troubled himself to obtain Sir Richard Temple's memorandum of December 14th 1870—which, if our memory serves us, was the date when the formal decentralisation ukase was issued. . . . . .

At present we can only refer to one or two special points in it. But we must not omit to suggest that the secret conclave which at Poona is now forging fetters for the future commerce of Bombay should ponder Mr. Massey's discriminating remarks on the undeniable claims which the chief ports of India have on the revenues. He says, "they are partly commercial and partly military, and undoubtedly a matter of imperial concern." And again, in reply to Mr. Dickinson—"I should be exceedingly loath to impose on the local Government any charge with respect to works which originate with the Imperial Government. I can conceive that any charge in such matters, placed by the Imperial Government on the local Government, may derange the whole system of local finance. If a dock in so great a port as Bombay were to be constructed, it would be always a subject of consideration whether a contribution should not be made from the imperial funds for such a work, because the plan of local finance does not exclude occasional assistance from the Imperial Government to particular works and charges." Let these propositions be faithfully compared with the elements of which our grand Port Debt is composed, and then see what chance there ought to be for passing the Port Trust Bill, which is mainly a specious scheme for forcing on this port a huge encumbering mortgage, of which a very large proportion rightly belongs to imperial charges. These ought to be debited to the general customs revenues, as always had been the case until our Simla financiers, under the fanaticism of a one-sided decentralisation, set to work to thrust all possible charges on local revenues. What would Mr. Massey have said, and what can the Select Committee say, when they are told that over and above the ordinary customs and port dues, and beyond the just charges for wharfage accommodation, the commerce of Bombay is expected to pay—both interest and principal cost of the site for an imperial railway station—for a lot of ill-designed and half-useless wharves—and also for a landed estate which will require ten years to become productive? . . . . . .

Mr. Massey has expressed his conviction frankly and firmly, that "the protection of the shores of India forms part of the naval policy of England; and as the possession of India by a foreign power would give an enormous blow to the prestige of England and disturb the balance of power in Europe," therefore, says our former Finance Minister (in reply to Mr. Dickinson), "we might as well ask the Emperor of China to maintain our naval forces in the China Seas" as to expect the Indian taxpayer and ryot to contribute as they now do a considerable portion of the cost of the half dozen vessels that the Admiralty chooses to send to cruise off this coast of India and in the Gulf. The principle laid down in this matter by Mr. Massey is undoubtedly the only sound one, and he carefully pointed out in another part of his evidence the essential difference between the imperial objects of the British Naval forces and the special purposes of the Indian Military organisation. We trust that the position taken up in this matter by their former colleague will be maintained by the Government of India when next they can muster courage to protest against these steadily increasing naval charges which, by permission of the India Office, the Admiralty, in the persistent pushing of its patronage, has during the last few years contrived to foist upon the Indian revenues. Again and again have we called attention to this topic, and now that a professional politician has hit the blot, some check may be put upon the unceasing encroachment of their Lordships at Whitehall.*

The second imperial topic which we take note of as dwelt upon by Mr. Massey is the unqualified claim he puts forward on behalf of the central Indian authority to appropriate

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* On this topic see also page 388.

the whole land revenue of India to its sole use and control. This is essentially a question of decentralisation; and we have always felt that the battle of provincial finance must be fought out on this ground. Our proposition is, that the land revenue is pre-eminently *the local* resource, and that the provinces have the first claim to it. Mr. Massey sees into the matter so far as to observe that the land revenue could not be collected without the close co-operation of the local authorities; but he does not perceive that in the very nature of things the best results would be secured in the expenditure of that revenue, or of a very large portion of it being entrusted to the provincial authorities. His Bengal tuitions effectually prevent his taking this broad and statesmanlike view. . . . . *Aug.* 15, 1872.

LORD NORTHBROOK'S TASK AS A FINANCIER.

NOT a little uncertainty still exists with regard to the opinions that the new Viceroy entertains in regard to the chief practical subjects of Indian administration. Nothing can be more urgent, nor is there anything that more vitally affects our political relations with this country, than the condition of the masses of the people and the prospects of that condition being ameliorated. Not ten Grant Duffs would suffice to dissipate the anxiety that is felt on these subjects by men who know this country well, and who can trace the political results that arise from continuously working, all-pervading financial causes. Notwithstanding the "lavish kindness" with which in this tropical climate, under requisite conditions, the fruits of the earth are yielded in response to the comparatively slight labours of the husbandman, the fact remains, that the masses of our population are very poor in a pecuniary sense. In some provinces, cattle and household goods indicate that there is still a wide margin between the peasant and destitution; but in many others this margin dwindles to the very thinnest line. We had occasion to show this the other day with regard to our own district of Rutnagherry; and all the accounts of trustworthy observers in Bengal unite in describing its ryotry as in a condition of all but absolute impoverishment.

So much is admitted on all hands; and there is little more difference of opinion regarding the further evil wrought by increased pressure of taxation during the last few years. Of course, Sir Richard Temple does not know this. His organs of mental vision were not adapted to perceive these things. It is long since he knew aught of "the huts where poor men lie," nor is it his forte to analyse financial cause and effect, or to trace out the far-reaching influence of fiscal measures. Happily, the Finance Minister is only a departmental officer at best, and the fortunes of the people are not entirely left to his oversight. . . . . .

Further, we may venture to suggest that as soon as the report on the condition of the people in Western India is put into shape, that it should be placed on the editors' table or otherwise made available for public use. This would, we know, be breaking through the bonds of routine, to allow the public access to valuable information in the rough before it has been sat upon for months and finally resolved into an official version—but, as we have often said, it is high time that the systematic sequestration of public documents should cease. Nothing is more desirable than that we should have prompt and full information regarding the actual state of the people. Are they really impoverished; if so, is this condition temporary or chronic, due to exceptional circumstances or traceable to constant causes; are not the cultivators in a better position than the artisans, small traders, and landless labourers; what districts and what provinces enjoy exemption from the supposed dead level of poverty, how far do our boasted means of communication serve the rural populations; is the stratum of poverty still tending upwards, can its growth or recession be marked by certain well known extraneous causes, such as high cotton prices from 1863 to 1866, check in bullion imports since 1867 and falling prices, pressure of imperial taxation from October 1869 to the middle of 1871, and increasing "provincial," local, and municipal exactions since the beginning of 1870?

These are some of the questions that will be asked in pursuance of Lord Northbrook's instructions; and, on behalf of the public, we earnestly demand that the answers shall be made known as soon as the several statements can be drawn together in any one province. We have always held to the belief that, owing to our liberal land tenure, the cultivators and villagers generally of Western India, in comparison with similar classes

elsewhere, are less in debt and have a broader margin of stock, ornaments, and household chattels between them and destitution. This conviction we still hold, and trust that the general investigation now directed by Viceregal authority will confirm it; but we must confess that during the last year or two the indications from various parts of our mofussil of a steady decline in rustic comforts have been rather depressing. . . . . .

It is not enough to cease to vex the people with taxation. Lord Northbrook has a more difficult task set in the corresponding duty of reducing expenditure—and that not by lakhs, but by millions. Is he strong enough for this herculean labour? Will he undertake, during his tenure, to reduce our destructive military expenditure from £16,000,000 to £12,000,000, to arrest the ruinous cost of our present railway system, to reduce the cost of civil administration in its higher branches, to check expenditure on barracks, forts, and other unproductive works in order to extend irrigation, cheap railways, and other reproductive appliances? No doubt His Excellency will strive to do all these as occasion arises and his plans are matured; for, unless he dare to lay the axe to the great trees in our forest of expenditure—millions of outlay which flows to the West, draining the life-blood of our social state—his inquiries towards reducing taxation will be like the labour of the Danaides.—*Sept.* 27, 1872.

DECEPTIVE RETRENCHMENT.

SOME months ago we took occasion, on special information received from home, to refer to the revision of establishments then going on at the India Office, which appeared to be conducted on very peculiar principles. We now receive, in due course, certain official papers which, while giving a number of details relating to the revision and future establishments of the Duke of Argyll's department, serve to throw but very little light on the course followed, and that light confirms our impression as to the unsoundness of the method pursued by the Committee. Mr. Grant Duff was its Chairman. We believe that about the same time another Committee was sitting to revise the establishments—that is, reduce the clerkly force at the Treasury. We may well believe that, when the pruning-knife had to be applied, few would use it so mercilessly as Mr. Robert Lowe; therefore, but for one circumstance, the Under Secretary at the India Office had a difficult task when striving to show as successful a result as that exhibited by the Chancellor of the Exchequer. The circumstance to which we refer is—that "India pays;" and the ingenious, if not ingenuous device, was hit upon of relieving the annual pay abstract by extensive removals to the pension list and on remarkably liberal terms. There the increase will not be noticed, for the Indian accounts are not the concern of the British tax-payer or his representative in Parliament. Thus, Mr. Grant Duff's scheme of revision enabled him to secure the few increases of salary required, make a fair show of retrenchment beside Mr. Lowe's, while the House will be deceived, and India endures a considerable but silent addition to her pension list. . . . . .

There are, moreover, certain circumstantial reasons against the Council accepting the *dictum* of Mr. Grant Duff's Committee, which ought to have aroused at least eight of them to uncompromising opposition. It appears that the report of the Committee "was purposely taken out of circulation" (was this about the time when it was found this journal had denounced the revision as a sham?); the members of Council were asked to refrain from noticing the subject until November; but in October it was found that the whole "scheme" had virtually been settled without them. . . . . .

We conclude our present remark on this curious and instructive page of modern secret history—this impertinent meddling and solemn trifling with the affairs of the Empire—by quoting Sir Bartle Frere's brief but emphatic "dissent": "I concur in Sir Henry Montgomery's dissent, more especially in that part which refers to the abolition of the Revenue as a separate department. The Council has had no opportunity of considering the scheme; and as far as I can judge, from the very imperfect knowledge I have been able to acquire of the details, it is not calculated to promote zeal, economy, or efficiency."—*Oct.* 4, 1872.

URBAN IMPOSTS:

On Consumers and on Commerce.

WE have refrained from any special notice of the Council debate on octroi and transit duties until the full report should enable us to trace, as one of its most curious episodes, how it happened that the new European member of Council drifted into the false position of moving an increase in town duties on two of the necessaries of life, while he was preparing to stoutly resist the imposition of those levies on our staple article of merchandise. We do not overlook the elaborate apology for taking this course which was made by the Hon. Mr. Bythell in his reply, as reported in our yesterday's paper. But what does that amount to? Why, simply that when the Council very unwillingly, so far as Sir Seymour Fitzgerald and two or three other members were concerned, imposed town duties, they did not venture to meddle with the great staple; and, second, because the Hon. Mr. Narayen Wassodeo assures Mr. Bythell that the tax on ghee and sugar falls mainly on the wealthier native classes. . . . The mercantile member's strategic move was on this wise; he was very justly anxious to defeat the attempt to levy black-mail on the commerce of Bombay, and fondly imagined that he might conciliate the ever-taxing official majority and induce them to shunt the cotton tax, if he could help them to obtain an equivalent sum from the necessaries of life. Of course, we entirely acquit Mr. Bythell of inhumanity or of any desire to save trade at the expense of the people's daily food; for had not Mr. Narayen assured him that Lazarus despises sugar and ghee, which are, as that honourable colleague had assured him, only the luxuries of Dives. Thus Mr. Bythell's position was perfectly intelligible, and the taxing majority saw this; for he was allowed to carry his motion for enhancing the tax on sugar and ghee by triumphant majorities, including "the lineal descendant of the great Malborough;" but when it came to Mr. Bythell's turn to look for support, where then were the triumphant majorities? Why, on the other side. The friends of unlimited expenditure and indiscriminate taxation showed that they understood strategy to better purpose than the new mercantile member. . . . . .

It is discouraging for those who have been long accustomed to think that some indisputable principles of equity in taxation and industrial economy had become firmly established, to find that the men on whose decision hang the financial fortunes of Western India, can play fast-and-loose with those principles, or deny them altogether after the daring fashion of the flighty descendant of John Hampden, who a year or two since laid a heavy bet against the Newtonian theory of gravitation.

If there were any chance of the science of political and social economy being taught in our colleges in a life-like way and from fresh examples, this debate in our Legislative Council affords a whole harvest of fallacies which an energetic professor would gladly reap, so that he might thresh out therefrom the grain of wholesome truths so needful as safe guides to industrial welfare and commercial progress. Some of these fallacies, like Mr. Narayen's limed twig wherewith he caught Mr. Bythell, relate to matters of fact which thorough investigation would dissipate. . . . If His Excellency, Sir Philip Wodehouse, will be at the pains to institute a thorough and impartial enquiry he will find that every man, the coolie included, who pays for a lodging, has to sustain his full share of all the taxes paid by the owner, the water-rate amongst the rest when pipes are laid on to the chawl or tenement wherein he shelters his head and hides his family and small belongings. We cannot now pursue this subject further; and it is wearisome enough to have to turn again so so far backward on the worn paths of economic and legislative progress.—*Oct.* 10, 1872.

On House-owners or on Tenants.

II.—Unfortunately, we see in the case of some Poona legislators, many who can claim to have studied Adam Smith, Senior, and Mill, have forgotten the alphabet of the science; and while it would be necessary on their behalf that in meeting the letter of "Impartiality" we should take them back to their primers, time and space forbid us to attempt that labour. We can, indeed, readily state one or two of the simple leading principles which conduct to the right side in this controversy. . . . . .

Fiscal arrangements and obligations must be considered, first, on the score of equity; second, on the ground of expediency. Under the first head, justice requires that revenue shall be levied as nearly as may be in proportion to the income of each citizen or class. The corollary of this principle is that these incomes are most suitable to sustain taxation

which are most permanent and certain in their nature. This, if it be duly thought out, supplies abundant reply to our correspondent's query as to "the apparent uneveness of owners having to pay six per cent. and the tenant only four—" and we know that "Impartiality," however much he may have erred in this case, has capacity for thinking out a logical proposition. Taxation is more equitably imposed on real, than on personal property; on fixed incomes, than on precarious salaries; because—first, the owners of such incomes are less liable to reverses than those dependant on trade and employment; and, second, because, as is the case with city rents and houses in crowded towns, the owners of such income have great facility for passing on the tax to those who must pay for what is in great measure a monopoly. As our friend "Impartiality" sees clearly enough that "all cannot derive the same yield from their respective outlays and investments," he ought to appreciate the force of this reasoning that real property should, if needful, bear a larger proportion of civic taxation than personal income. There are in Bombay numerous subsidiary reasons why this fiscal order should obtain; but we cannot stay to apply or even to point out half the conclusions that point to the justice of the most stable class of fortunes yielding the largest share of municipal revenue. . . . If a landlord, after casting up the charges against his property—insurance, interest, repairs, deterioration, and rates—sees an "income hardly equivalent to the returns that holders of Government securities and other stocks get on their investment," he has no right (except as a protestor against a municipal extravagance) to single out the rates as *the* cause of his inadequate return. His investment is a poor one for the time, and so far he is an object for mild commisseration; but, as "Impartiality" severely observes, "their investments having turned out so unprofitable, (and) the improvidence of their own investments is their own affair; and an appeal for relief to them on that account is, I confess, more sentimental than fair and just."

We should like to have said something about the statistics of house-owners and occupiers which "Impartiality" uses with so much confidence. It is manifest they require to be closely tested. Taking them as they stand, the 14,000 houses inhabited by their owners afford us unexpected ground for agreement with our correspondent. He remarks, "if everybody had his own house to live in, then it matters little on what principle the two (owners and occupiers,) distinct rates are paid;" therefore, as we pointed out the other day, what these 14,000 have to complain of is the *weight*, not the incidence of taxation. Against that, as "Impartiality" will bear witness, we at least have maintained our firm and consistent testimony. But we should like to know more about these 14,000 houses. Do none but the owners live in them? Do not some of them swarm with relatives or tenants? And if so, how does it happen that the total cost of lodging and house room is not shared amongst all? Again, of the 6,500 houses and chawls of which the occupiers' rates are, or are to be, paid by the landlord, how many tenants live in one house, and how is it that they do not sustain any portion of those rates? Something is wanted here. Before the Hon. Narayen Wassodeo and his friends use these figures again, they should supplement them with a few vital statistics. We cannot now pursue this subject further; but some of the ground we should have occupied is taken up by an Anglo-vernacular contemporary, whose article, "Tax the Poor," we extract in another column.—*Oct.* 12, 1872.*

UNHEALTHY FOREIGN TRADE.

THE official "Accounts relating to the Trade and Navigation of British India" up to and including July, now published, enable us to gauge with tolerable distinctness that decline in our foreign commerce of which we have lately heard so much, and which, we regret to say, did not reach low-water mark even in July—usually our own slackest month of business. But let us now look at the first four months of the financial year 1872-73. As the Financial Department of the Government of India has not yet learned the elementary lesson in statics, that, in order to show the total foreign trade of any country, it is needful to present in one view the aggregate movements of treasure as well as merchandise, we must again supply the omission. The vacant space for the desiderated concise table still waits for it unutilised; so we must again compile our own summary of trade movements for the period under notice:—

* On the above topics see also pp. 380-3.

Four months ending 31st July.

	1870.	1871.	1872.
Grand total of Imports	Rs.11,22,81,592	9,03,21,747	9,78,52,555
Ditto. Treasure	2,37,62,852	1,36,28,831	2,36,28,045
	Rs.13,60,44,444	10,39,50,578	12,14,80,600
Total of Exports of Indian Produce ...	22,93,48,918	21,52,48,073	18,72,08,897
Ditto. Treasure	35,58,714	53,99,269	39,36,418
	Rs.23,29,07,632	22,06,47,339	19,11,45,315
Total Sea-borne Trade of India (except re-exports	36,89,52,076	32,45,97,917	31,26,25,915
Excess Exported by India ...	Rs.9,68,63,188	11,66,96,761	6,96,64,715

It will be observed that the total decline in money value on our foreign trade for the period under notice, as compared with that in 1870, amounts to £5,633,600—that is equivalent to a diminution of about £17,000,000 per annum. . . . . .

Though a palpable decline in the aggregate value of our foreign trade may interfere with what Sir Richard Temple calls "the sentiment of the historian," we may admit that it would be quite possible for a trade somewhat smaller in total value to leave as good or better profit to those engaged in it, than they reaped under statistics of heavier pecuniary amount.

But that the past season has been one for losing rather than making fortunes, both Calcutta and Bombay aver. One of our contemporaries in the eastern city raised the question the other day—Why has trade been so unprofitable? . . . But we need to go beyond this. There must be some general financial, monetary, or industrial cause underlying this unhealthy state of things—prices of exports unduly inflated, and imports unduly crowded into the ports without any adequate demand in the districts. It is no use jumping at conclusions merely to relieve our impatience at this discouraging and apparently insurmountable evil which besets all merchants engaged in foreign trade, native and European alike. But of all the causes referred to (apart from the politico-financial suction westward constantly going on), we have seen no guess that covers so much of the ground as that comprised in the following passage of our Bengal Commercial letter published yesterday week :—

> The reflection very reasonably suggests itself, how such or any trade can have progressed beyond a point where its volume of supply so exceeded that of demand, as to leave the penalty of such a violation of sound business principles, asserting itself at last with a strength not to be longer disregarded. Cheap, very cheap money for a long period has been a source of much mischief. Facilities have been largely afforded or furnished in quarters where the chief inducement has been the very low cost of the means to carry out ventures which might or might not succeed well, but had small chance of doing so even at the offset. . . . The superstructure had grown on an unreliable base. The State *placed millions of its surplus money at the disposal of the trading classes.* By so doing the cost of money (*i.e.*, floating capital available for discount) became *abnormal* and a wider, more extended field of *credit* grew out of the influences involved in this way. The market has now reached a stage when, with the artificial source or means of action rapidly decreasing, the requirements to prop the unstable position will become larger, and, with the enhanced cost of providing for them, a general readjustment will follow. It has, in fact, commenced already, &c.

In case these remarks may be slightly too technical in expression for readers not of the money market, we would ask them to fix their attention on the line we have italicised, and then the origin of the abnormally "cheap money" (*i.e.*, low rate of discount) will become apparent. The argument is this—by keeping the State's ready money, its "cash balances," at from £8,000,000 to 12,000,000 higher figure than in former times, and allowing the Presidency banks to count upon the use of that money, more capital is placed at the command of trader than they could have obtained from the ordinary sources of saving and profits. Thus, piece-goods, being producible in unlimited quantity, were thrust on our market; and export products, being limited by the amount of capital and labour available for tilling the soil, are artificially enhanced in price by competition amongst traders whose resources are artificially enhanced by the Finance Minister's blundering policy. But that is only "what is seen"; there yet remains "what is not seen." Those £8,000,000 or £10,000,000 thrown on the

money market have been dragged from an impoverished country, which thus loses at once the capital needed to conduct and extend its agricultural operations, and the savings which would have enabled the people to pay off debts and to purchase commodities for use.

Now, is not the demonstration nearly complete? Do we not see here that a full circle of evil is accomplished by the withdrawal from the multitudinous little hoards of the people, of those vast aggregate sums which Sir R. Temple chuckled over last April, as he remarked with such unction that the balances of the State no longer "lie idle and infructuous"—a phrase which, in the exposition above, we have just turned inside out. We do not stay now to trace out the deteriorating influence on healthy commerce, and the check to its expansion and profits caused by the withdrawal of the funds and capital of the country as revealed in that line of our table above which shows that India's international trade is one-sided. In the four months under notice, the value of all our exports exceeded that of all our imports by nearly £7,000,000 sterling; but as this was during the season when our export trade is most brisk, it would not be quite correct to multiply that sum by three in order to arrive at the year's balance against India. . . .—*Oct.* 15, 1872.

LOOSE BANKING AND LONG USANCE.

THE apologetic, and also somewhat denunciatory speech made by Mr. Andrew Cassels, as Chairman of the Chartered Bank of India, Australia and China, cannot be regarded only as the letting-off of so much pent-up steam, though that was probably its main purpose and effect at the time of its utterance amidst a group of excited and dissatisfied shareholders. And though every one appreciates the sentiment of the Chairman when he disclaimed any desire to hit men who are down, as are the principals of the once proud firm of Gledstanes and Co., we must remember it is the shareholders who are hit; and, not only the shareholders of the Chartered Bank, but also those of the Agra, and mercantile creditors not a few. The leading partners of that firm have for many years had their good things—unlimited credit, the comforts of wealth, and high social position, all endorsed and guaranteed, as it were, by possession of "seats at the boards of two of the greatest banks of the world"—and now shareholders have their evil things, a dead loss of dividend and a serious depreciation in the market value of their shares. . . . When Mr. Cassels denounces the general "tone of commercial morality," as regards trading to the utmost extent for which credit can be obtained, he has a clearer course before him; and when he sighs after the Code Napoleon and complains because of the still defective condition of the English law of debtor and creditor, he opens out an inquiry which our crowd of would-be commercial legislators ought long since to have made unnecessary.

But when the Chairman of the Chartered Bank, speaking as on behalf of other exchange bank directors, raises grievous complaints against the insolvent firm, and indulges in somewhat lugubrious laments about "the failure coming suddenly upon them, the world being taken by surprise," and that no whispers to the disadvantage of the firm were in circulation," lookers on cannot help querying whether all this palinody is quite business-like; and, indeed, whether bank directors themselves have not a good deal to answer for in that this failure has proved so specially disastrous to the holders of Messrs. Gledstanes' acceptances. . . . . .

The Chairman of the Chartered Bank was very anxious to explain away the character of "accommodation bills," which, it is now seen, was really the nature of Messrs. Gledstanes' paper. . . . That large purchases of unsecured paper is essentially inconsistent with the principles and chief purposes of our exchange banks, is a proposition in support of which we can call an unexceptional witness, one whose testimony is none the less telling because, in this very matter of Gledstanes' clean bills, his practice has signally belied his precept. It is Mr. James Thomson, the fluent and bouncing Chairman of the Agra Bank, whom we now put into the box. We are indebted to our juvenile weekly contemporary for reminding us of a notable passage in the speech of that gentleman, delivered at one of the resuscitation meetings, and, if we mistake not, circulated, for the benefit of all and sundry, in a luxuriously got up pamphlet. Mr. Thomson, on that occasion, explained, for the benefit of shareholders unacquainted with business, how exceedingly

safe the exchange operations are in which the bulk of the bank transactions with the East consisted. . . . . .

But whilst we regret the present disappointment of the shareholders in these two banks which are so intimately connected with Bombay, we trust the severe lesson concerning "clean bills" and six months' usance, will not be thrown away on bank managers and directors generally. Renewed and increase confidence in bank management is much required. As a proof of the sensitiveness—unreasonable and excessive as it is in degree—we may refer to what happened to the quotations of the Chartered Bank shares, which, as the Chairman pointed out, fell in a ratio of price equal to nearly five times the actual loss by the Gledstanes' paper.—*Nov.* 7, 1872.

THE SAUGOR BARRACKS—AN "AWFUL" EXAMPLE.

ONE feels inclined to sympathise with the Supreme Government in their almost humiliating admission that the failure of the Saugor barracks is "the most signal instance of the waste of public money that has taken place of late years in the construction of barracks." Even those who have consistently denounced the wasteful system adopted in the construction of public works in this country, while secretly satisfied probably at the verification of their prognostications, cannot but deplore so costly and culpable a disaster as that to which we invite the attention of our readers. The failure itself, it is true, does not immediately affect the principle of building monster barracks for the English troops stationed in India; but it will tend to check the profuse expenditure on such works, which, without some such signal disaster as this, would have inevitably gone on increasing until some tremendous financial or sanitary evil convinced the military authorities in a manner not to be mistaken, that their policy was ruinous. Such a check is in itself a great gain. It gives breathing-time to the authorities to reflect before they place in the hands of any other group of Engineers the power of wasting the public funds, in a manner either criminally careless or ignorant, as has been done during a course of four years in the construction of these now-condemned barracks at Saugor. Nearly 16¾ lakhs have been thrown to the coolies on these buildings, which have been "altogether abandoned." . . . .

Here we come to the period when that failure was detected by the determination of Mr. FitzJames, in spite of Mr. Armstrong blaming him for the position he had taken in exposing the "worthlessness of the work which had been executed." There is ample evidence to show that there were sufficiently able supervisors of the construction of the Saugor barracks, and that the point of feebleness and defect was the absence from the system of the department of any provision of personal *pecuniary* responsibility. Captain Faber, R.E., for example, may have been wholly unfit for the proper discharge of his professional duties; but he never would or could have conducted them in the culpably ignorant or indifferent manner that he appears to have done, if he, *as well as the Inspecting and Directing Officers*, knew that each and all would be personally and pecuniarily responsible for the unprofessional discharge of their individual duties. . . . . .

To return to the essential question of the apparent absence of personal responsibility in the Public Works Department, we would quote the opinion of a new, but close observer of some aspects of this system which regulates the immense expenditure of public money in works of construction; an observer who has come among us unwarped by the traditions which envelope and obscure the penetration of many otherwise able officers in India. We mean Mr. Guildford Molesworth, the adviser of the Government of India as regards State Railways; he says, "There are, however, some defects in organisation which, I think, require remedy. The Engineer-in-Chief of a State railway" (and we say equally of other works in India) "scarcely appears to me to have sufficient responsibility * * * and I consider that he alone should be the person to whom the Government should look for results;" and as that officer will thus be held personally responsible for *results*, and may run the risk of degradation, and possibly of removal, Mr. Molesworth recommends that it will be desirable to give him "greater power with regard to the dismissal of subordinates." There is more in what Mr. Molesworth says in his report than will be seen or appreciated by those who run as they read. . . . Therefore, it remains for the State to at least attempt the trial of some plan for exacting a pecuniary responsibility from the highly-paid and really able officers to whom vast powers of doing good service are entrusted with unlimited

confidence; and, unhappily, as this Saugor case typifies, also vast powers of committing mischief and loss to the public.—*Nov.* 12, 1872.*

H. E. LORD NORTHBROOK AND PROVINCIAL FINANCE.

THERE seems to be a general impression amongst those who have most opportunity of forming a correct judgment in the matter, that the direction in which the present Viceroy will exert most influence will be finance and army reform. In respect of the latter subject we yesterday gave confirmation of the surmise being correct. In the course of his late tour his Excellency's inquiries were mainly directed to these two subjects. Lord Northbrook never missed an opportunity of examining barracks, arsenals and fortification projects, and consulting personally with the leading local authorities in military matters on the questions of army reduction and reconstruction. Similarly, in the incidence of taxation whether imperial, provincial, or local; in the popularity or otherwise of special taxes; in the history of particular assessments and sources of revenue, he is understood to have made thorough investigation and to have called for minute returns. There can be no question that the decentralisation scheme boldly launched upon the Presidencies, and administration of British India by Lord Mayo was purely tentative, and not intended as the final development of the policy of self-government in financial matters. The essential mistakes in that scheme which the experience of the past two years has brought to light must now be recognised and corrected. . . . The scheme has not given to the local governments such complete control over the expenditure of the sum assigned as would seem to be natural and desirable. So long as Bombay does not make further demands on the Imperial Treasury for its jails, registration, police, education, medical service, printing, and provincial roads, than the £1,000,000 sterling allowed for these purposes, it certainly ought to be trusted entirely by the Imperial Government and permitted to distribute that expenditure as it considers proper without constant and vexatious references to the Government of India about trifling sums, which entail both delay and expense. Without this condition, the whole plan is abortive as well as unjust. If, then, his Excellency the Viceroy is prepared to deal with this question at present, he cannot do less than remove these petty interferences and references to Calcutta, which the acquaintance that he has now formed with the institutions and officers of this Presidency must have shown him to be unnecessary and uncalled for. . . . . .

Advocates as we have always been of local taxation in the proper sense of the term, and fully convinced of the success which has attended the working of Bombay Act III. 1869—which we consider to be the most successful piece of state-craft intiated by Sir Bartle Frere for the benefit of posterity—we shall not be accused of a wish to centralise all power of taxation entirely in the hands of the Supreme Government. But there is a wide difference between "local" and "provincial" taxation. The area within which the former is spent and collected is sufficiently small to enable every ryot to appreciate the benefit which he himself and his own talook derive from the imposition of the one-anna cess. Not so in the province. The head of a household in Kaladghee is equally indifferent whether his contribution under Act II. 1871 is spent in Sindh or in Trichinopoly; and the distinction between provincial and imperial taxation has no meaning for him. Under these circumstances a provincial tax cannot be less unpopular than an imperial tax; and this being admitted, it follows that the sole right of imposing it ought to vest in the Imperial Government, which alone ought to and can direct the financial policy of India as a State. . . . At present Bombay with its expanding revenue, already *twice per head* that of Bengal, sees its accretions of natural surplus swept into the great gulf of the central exchequer. Whatever Lord

* As to the general subject of the "palatial barracks,"—their large cost, at least £12,000,000 sterling, most of which was paid out of current revenue, and their unsuitability—see pp. 338-9 and 344, the illustration referred to above, which occurred at Saugor in the Central Provinces, served to fasten public attention on the extravagance displayed in these structures, and to gross mismanagement in the work of construction. There were several similar instances of disastrous neglect and waste in these buildings, and this "awful example" at Saugor was turned to account by the Government of India in securing better engineering supervision. It may be mentioned, in passing, that Mr. Molesworth—incidentally referred to in the article—who had then recently entered on his special duty in India as Consulting Engineer to Government for railway construction, is (at the time these proofs are being revised) now retiring from his highly serviceable and honourable career.

Northbrook may decide, one thing seems clear, that the perpetual fear of new impositions which the facility of provincial taxation inspires, is becoming a serious evil; and if there is one straw needed to break Bapoo's back, it is that supplied by constant experiments upon the best method of reaching his pocket.—*Jan.* 4, 1873.

LORD WILLIAM HAY'S LECTURE AT EDINBURGH:

England's Obligations to India.

IN the home papers by the present mail we have not as yet noticed any article, speech, or letter nearly so interesting in its direct bearing on Indian affairs as the lecture by Lord William Hay [now the Marquis of Tweeddale], . . the Philosophical Institution, Edinburgh, a special report of which appeared in our paper . . the 22nd and 23rd. The address presents a happy combination of high politics, famil. . . stration, and earnest practical counsel. Many who may feel strong opposition to some . . . ecturer's proposals will be gratified at seeing nearly all the prominent Indian questions of the day so skilfully grouped together in an address delivered to a highly appreciative and intelligent audience. . . . . .

It has become the fashion with those politicians who desire, when English interests seem at stake, to treat India as an *aljject* dependency, to speak slightingly of the Queen's Proclamation—that regal and authoritative document in which her Majesty and her responsible advisers declared the terms on which they accepted the renewed obligations of Britain's sovereignty over India. Lord William has not adopted that fashion. Having held responsible positions in India for many years before the deluge, and during the sullen peace which followed it, he can thoroughly appreciate the inestimable value of the imperial declaration which, in truly royal style, announced the bringing in of a new order of things. And he justly says—"No more important communication was ever made by one nation to another; and we cannot be surprised that our fellow-subjects in India should watch with jealous interest the manner of its fulfilment." . . . . . .

It seems to be thought by some that Parliament can, if it likes, deal with the multitudinous details of Indian administration; and the sooner this delusion is dissipated the better. The functions of Parliament towards India, as described in the passage we have quoted, are indeed onerous and pressing enough to satisfy the ambition of the proudest assembly of the world. It is only through the High Court of Parliament that the elevated aim can be maintained which was expressed by the present Premier in 1858, as aptly quoted by the lecturer. Mr. Gladstone then said: "What else do you want by the changes that you wish to introduce to the Indian Government? You want, or at least I, for my own part, want to bring public opinion to bear upon Indian affairs. I want to see the people of England more sensible than they have hitherto been of the enormous responsibilities they have contracted with regard to India."

It is admitted that this responsibility has not been realised; and the practical object of Lord William Hay's address was to show that this is largely due to the clumsy parliamentary management of Indian business by her Majesty's ministers. . . . We urged, and shall urge again on every fitting opportunity until shown that our proposal is impracticable, that the Indian financial accounts should be made conterminous with the calendar year, and that the Finance Minister shall read his Budget as soon after New Year's day as may be practicable. If this were done, Parliament could perform its great annual duty towards India soon after the bustle of opening the session subsides, and whilst the minds of members are fresh for their work, and whilst they retain sufficient vigour to rise for an hour or two to the level of Lord Chatham's range of view when he said, "Indian affairs are, according to my ideas of greatness, the most important of all our concerns."

Simple as this expedient of changing the date of our financial year will seem when once it shall be accomplished, we believe it will do more to ensure effective and independent attention to Indian affairs than all the orators of St. Stephen's or the Adelphi. But the Edinburgh lecturer (Lord William Hay), made a more weighty suggestion, and one which, as its adoption would in a certain sense touch the pockets of John Bull, would be still more potent towards ensuring attendance and intelligent attention to Indian financial debates. We allude to Lord William's proposal—one made by other politicians many times—that the British Parliament shall extend its guarantee to the Indian national

debt. . . . There is, indeed, one obstacle and that a thumper—the difficulty of getting the English Ministry to accede to it. The House of Commons, under unusual fits of political excitement, has given guarantees to Turkish or Greek loans; but the maxim, "everything from India and nothing to her," is so ingrained in the mind of English politicians, especially the Whig section thereof, that Lord William's proposal to consolidate the varied Indian stocks into the "sweet simplicity of the three per cents" will require years of strenuous advocacy before the measure will be endorsed by an English Chancellor of the Exchequer. For our part, we may frankly confess, that much persuasion would be required to induce us to join any deputation awaiting on Mr. Robert Lowe, asking him to give his consent to guarantee the Indian debt. It is quite sufficient to imagine the polished gibes and the incisive sneers wherewith he would clothe in refined garb the hard but expressive vulgarism—"Don't you wish you may get it." Nevertheless we are fairly convinced alike of the justice and expediency of assimilating Indian and English State obligations; and as India was never won, nor can be ruled by politicians of the Lowe and Ayrton stamp, it is not impossible that some such *rapprochement* may be acceeded to within a very few years. But there is another measure of financial equity which is needed in order to make, not only Parliament but the British constituencies vigilant in regard to Indian resources. We mean the acknowledgement of mutual obligation in maintaining the connexion between the two countries. This could be done, with immense pecuniary and industrial advantage to India, by England taking on herself to pay £2,000,000 or £3,000,000 annually for those portions of the home charges which are necessarily paid out and finally consumed in England. This, as well as the proposal to give an imperial guarantee on the Indian debt, were both put forward by Sir George Wingate in 1859; and in spite of the persistence with which the parliamentary leaders on both sides of the House ignore these reasonable claims on behalf of India, it is certain that to this complexion must Parliament come at last. . . . . .

Seldom has the adaptability of Shaksperean quotations been more aptly shown than when, following the remark just quoted, the lecturer thus applies the familiar soliloquy of that arch-villain Iago—"India is a garden to which our wills are gardeners * * * why the power and cognisable authority lies in our wills." As to India having been "distracted with many genders of herbs" under the Crown regime of "freshness and energy" so dear to Mr. Grant Duff, Lord William holds very decided opinions, which, if the *Pall Mall Gazette* chooses, it may write down as more "common places about India." The lecturer, when he uses that somewhat misinterpreted phrase "over-legislation" does so with discrimination; and even our late Legal Member [Sir Henry Maine] would have to admit that the quondam Commissioner of Simla knows very well what he is talking about. —*Jan.* 25, 1873.

THE BOMBAY MEMBER HOLDS HIS OWN.

The Punjab Municipal Bill.

THE Hon. E. S. Chapman certainly deserved better success last week in his single-handed combat with the Punjab Municipalities Bill and its numerous apologists. Only a year ago the majority of the Council were astounded at the audacity of the Punjabees, who having been granted an inch—prolongation and legitimisation of their rough and ready municipal system for one year—sought to gain their ell; that is, full legitimacy without any limitation as to time. Then, the men of the five rivers were, in effect, asked, if they expected to override the Government of India and supersede the Legislature; now, his Honour of Bengal politely remarks that the Hon. Mr. Chapman "strains at a Punjab gnat but swallows a Bombay camel;" the Legal Member—with the weighty authority derived from his having read all last year's debate on the subject; the Hon. Mr. Ellis—who made an effective side-thrust at his Honour of Bengal's wild statistics—seemed glad to give his friend of Bombay the go-by; while his Excellency the Viceroy, in the suavest manner, intimated that our Bombay member ought to knuckle under to wiser men and allow business to proceed. As to the ever radiant Finance Minister, it was only to be expected that, with the tide running at this rate, he would assure everybody that in the Punjab, the province where he won his spurs, the municipalities are model republics. But, when we have our reasons, we are a stiff-necked race in the Western Presidency; and our representative member did us credit in declining to be sat upon, and in exercising his right

of reply, though he stood in an immovable minority of one. He took the opportunity also of disclaiming all intention of sitting in judgment on "the excellent and vigorous Government of the Punjab;" but, sitting in the seat of legislation as he is, he feels free to say that even the shining lights of Lahore and the territories thereunder should be guided by Imperial law, rather than by rules devised within their own coteries. The Bill has, it appears, been amended since its appearance last year, and that, too, in the sense of giving the Supreme Executive some ultimate control over municipal taxation in the Punjab. . .

Still much may be done towards making Imperial policy plain without any direct interference with local authorities—save and except in such instances as the recent one when certain members of the Bombay Council sought to levy municipal taxes on the staple export of Western India. The Minute of 1868, deprecating the stealthy and rapid growth of octroi duties, and specifying the restrictions to which the insinuating method of relieving capital at the expense of trade and labour must be subjected, affords a case in point in which the Executive Government did its duty as guardian of the unrepresented masses, and as the exponent of true fiscal principle. But it is doubtful whether this admirable, albeit far from radical manifesto would have been issued when it was, had it not been for the exertions of the Calcutta Chamber of Commerce, and the efforts of Mr. Bullen Smith with other mercantile members of Council. . . . . .

Of course, any levy which shifts the burden of civic taxation from the shoulders of these gentlemen on to those of the ignorant and unrepresented classes, is certain to be in accord with the "feelings" of the classes *pro tanto* exempted from their fair share of civic taxation. Must we not expect a high-principled statesman like Lord Northbrook to be slightly ashamed of such a plea when it is followed out? Then, as to this ignorant and unrepresented class, the dumb masses of our towns and cities: Is not the Supreme Council—both Legislative and Executive—bound to be the guardian and the jealous defender of these blind, helpless people? This being so, let the Hon. Mr. Chapman and his Excellency the President, before again adducing the "feelings of the people" as an excuse for taxing the necessaries of life and crippling the operations of commerce, take out their pencils, work a small sum in simple proportion, and thereby remind themselves how grossly inequitable such a fiscal policy must needs be. There is often much vague talk about our mission to the people of India; but one of its most essential, and as yet neglected departments, is that of enforcing the high principle of *equity* in taxation.—*Jan* 31, 1873.

THE VICEROY ON LOCAL TAXATION:

Sir P. Wodehouse left to "Bell the Cat."

LORD NORTHBROOK'S Minute on local taxation (the Secretariat signature being in this instance a mere form) appears in another column and will be perused with much interest. Though it records little more than bare conclusions, its several brief paragraphs bear witness that much close reading and many hours of careful consideration have gone to the inditing of this State paper which—to adopt his Lordship's commendation, applied to the officers whose reports he was reviewing—betokens "an anxious desire for the prosperity of India and the wellbeing of the people." The great majority of readers will not care to go a line beyond the close of para 11, where it is written: "Whilst, however, the Governor-General in Council is resolved to carry out the general policy which is above recited, his Excellency is glad of the opportunity which has been afforded him of declaring that no further increase of local taxation is now required."

And yet that "however" covers an important reservation. His Excellency, besides giving a general indication that he thinks it desirable to maintain most, if not all, existing local taxation, records the determination, of all the high authorities concerned, to make the road-cess in Bengal become one of the "recognised institutions of the country," and also to convince the talookdars of Oude, that, as favoured proprietors, they must be content to bear their incidence of the Local Rates Act. It is to be desired that some intimation had been given, however concisely, that the Supreme Government fully recognises the essentially different position as regards local and supplementary taxation which is occupied by privileged classes like the Bengal zemindars and Oude talookdars, as compared with cultivators in other parts of India who, in many instances, pay up to the full rental value of the land. Local taxation in Western India, where it comes on the top of "imperial taxation" already as heavy as the

people can bear, is quite a different thing from its levy in provinces like Bengal, the eastern portion of the N.W. Provinces and the northern districts of Madras, where the aggregate yield to the imperial revenues is scarcely half the amount per head that is drawn from this Presidency. This, by the way, is one chief item in the reply that ought to be given to Sir Chas. Trevelyan by one of our able revenue officers in respect of that veteran financier's ignorant comparison between the £880,000 granted to Bombay in the provincial distribution and the £1,168,592 drawn by Bengal. Instead of there being in this "gross unfairness," to the people of Bengal as Sir Charles alleges, the unfairness is the other way. Again and again have we shown that the people of Western India yield twice or probably thrice the amount of revenue per head that is contributed by the inhabitants of Bengal, and it does not say much for the acuteness of the Finance Committee that the witness in question was not pulled up sharp. . . . . .*

No amount of "unanimity of opinion," however remarkable, can disabuse us "provincials" of the conviction, that the object aimed at by those members of the Supreme Government concerned in drawing up the resolution of December 1870, was to relieve the central bureau of the odium of increased taxation, and to compel the local administrations to exercise their ingenuity in squeezing more revenue out of the people to provide for those exigences which, in the parlance of the Simla men themselves are "certain to arise in connexion with the progress of the country." The provinces were "perpetually settled" off with a definite limited grant; the central Government retained full control over all expanding sources of revenue; but the paltry fees—under the head of schools, jails, registration, &c., —assigned to the provinces are of such a nature that by no manipulation, however skilful, can the income be much increased. As all the "services" turned over to the "provincials" are such as must be well supplied and efficiently managed, there is little or no scope for saving, and the "direct interest in economy," given by this scheme of 1870 is of the very smallest. That the measure has been successful to a very small extent in this respect, and perhaps in a greater degree in abating friction between the Simla and local Governments, may be admitted; but that is only to say that the former state of things had become unendurable, while, as we have had occasion to point out, friction and jealous centralisation in some other directions have been as bad or worse than ever.

Viewed from the statesman's standpoint—that is, examined by some impartial man fully aware of the tendency of central administrations to magnify their office and multiply departments, and knowing, too, how helpless the Government of India choses to remain in regard to the military and other expenditure forced on it from home—the "success" spoken of so complacently in this resolution must be regarded as a very small incident indeed. The fact is, decentralisation was begun at the wrong end. The old centralising and autocratic, yet withal (Bengal) provincialising spirit needs to be exorcised from the Supreme Government; but this can only be done through Parliament, backed up by some strong public feeling at home, and there is no present prospect of that being evoked. . . . . .

And it is worth noting that nearly the whole of these reports, by which Lord Northbrook sets so much store, are supplied by gentlemen of the Revenue branch of the Service. It cannot fail to strike his Lordship, on reflection, that this is far from being an exhaustive method of ascertaining "the feelings of the people of India." And it strikes us that almost every suggestion and criticism to be found in this thick volume of reports had previously been scattered broad-cast through our own columns and those of our contemporaries; but a Governor-General can no more find time "to read the papers" than could the great Pitt. We are glad to notice, however, that his Excellency has his eye on the growth of the insinuating octroi system, and that he has put his finger on Surat, Broach, Kurrachee and the Punjab municipalities generally as conspicuous offenders in this regard. Still it is to be regretted that in reprehending this convenient fiscal sin—favoured alike by Civilian revenue officers and native municipal commissioners—Lord Northbrook only brings forward the

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* For full exposition of this subject, the unequal contribution of the several presidencies to the imperial revenues, the unduly small share yielded by Bengal, and consequent inequitable burden on Bombay, Madras, &c., see pp. 327-9, 342, and 365-6. For effect of the new Decentralisation policy in causing irksome pressure on the "Provincials," see pp. 368-9, and the struggles of Sir Seymour Fitzgerald's Government to adjust the difficulties so caused.

established conventional argument against these taxes of the gate—namely, that they are liable to become transit duties. He might have at least hinted, that, taken alone, an octroi levy is about the most inequitable of all methods of raising a revenue.—*March* 26, 1873.

OUR FINANCES IN 1872-73:

Sir Richard Temple Deposed.

THE Financial Statement comes to us this year in the unwonted shape of "a Minute" by the Hon. Sir R. Temple, which, as the brief resolution covering it rather quaintly remarks, contains "*his* review of and opinions regarding the financial policy of the Government of India." Though authorised by the whole Executive, this document is essentially a personal one and must be read as Sir Richard Temple's apology for past blunders, and his glorification of the good luck which enables him to enjoy the blessings of retrenchment and reduced taxation forced upon him and his colleagues by an indignant public opinion. Under a parliamentary system, as in Europe, Sir Richard would have been hurled from power because of the still unredeemed and unpardonable blunder of the heavy rate and low range of income-tax in 1870-1; and, in that case, some successor would have had to dilate on the wiser management which the present statement unfolds. If, then, we bear in mind that it is really Sir R. Temple's own policy which forms the dark background to the comparatively pleasant picture now presented, we shall not be deceived by the glamour which, thanks to the Finance Minister's rhetorical skill, is cast over the whole review. We shall not be led astray, and shall be better able to form sound conclusions on the several problems presented for consideration.

Take, for instance, the congratulations over the alleged success of the Provincial Services scheme. Every one admits that, so far as the local administrations get grants in a lump sum for which they had formerly to haggle item by item, there is so much wasted energy saved; but when the Finance Minister takes credit that under the resolution of December 1870 only £212,000 of additional taxation is raised, and when he complacently remarks that the "system has not aggravated the burdens of the people," the too facile penman must be pulled up. Because the provincial administrations have refrained from levying, or have failed to carry new taxes, it must not be said that such result was not to be expected. As Sir C. Trevelyan says in his evidence we published yesterday, though many new taxes have not been levied, they "have acted as bogies to frighten the country." In this Presidency we are not likely to forget the abortive scheme of a feast tax, nor the uncompensated vexation and suffering endured in many of our own rural districts by reason of the so-called non-agricultural tax. . . . . .

In proceeding to notice the Finance Minister's ingenious retrospective apology for the haphazard finance of the last few years we must bring out some of the facts on which his pleas are based. He shows that there has been an aggregate of surplus since 1869-70 of £6,000,000; and we gather from a subsequent paragraph that the aggregate deficit in the three years ending 1869 amounted to £6,250,000. Thus it took half as much more time to fetch up to, than it did to fall below the mark. There will be a good deal of discussion on the paragraphs in which Sir Richard Temple sets the deficit against the surplus; and we much mistake, if, when the controversy clears off, the £4,500,000 derived from the income-tax will occupy quite that prominent place which Sir Richard, the artist, assigns it in his fancy picture. It is so easy, with some persons, to throw dust in the eyes of the public by playing off one set of figures against the other. With verbose expression and pretentious phrase the Finance Minister claims that the £4,500,000 gleaned by income-tax from 1869 to 1873,—including the £2,000,000 collected in that year of gloom 1870-1—"proves the importance of the measures passed by the legislature during the period under review and illustrates the share they have had in the maintenance of the financial status." Let us treat this wind-bag to a prick or two. It appears that during the four years in question the net surplus from opium over budget estimate was £3,894,140. The little circumstance that the opium estimate was kept down, as one of the devices adopted to excuse the baneful levy of 3⅛ per cent., is pushed out of sight by euphemisms about the estimates being "purposely made with cautious moderation," and, we desired "that the opium estimate should be made absolutely secure." But, again, whilst the drug contributed nearly £4,000,000 to the aggregate surplus,

it appears that there is also a reduction of expenditure in 1872-3 as compared with 1868-9 of £3,500,000, nearly half of which is due to checked outlay on public works. Thus we have the whole surplus of £6,250,000 accounted for on principles, which, more faithfully carried out, would have served to dispense with the income-tax altogether, or restrict it to a levy on the well-to-do, instead of leaving it to drive like a ploughshare through every rank of society except labourers and menials. It is pleaded in this statement that "the condition of deficit had been so serious for three years" that some "adequate remedy must be provided." But was not the remedy violent, excessive, and exhausting? . . . . . .

In the passage where Sir Richard refers to the adverse exchange, he says—"Another reason (for the low rate) is doubtless connected with the inevitably large drawings upon India by the Seretary of State in England, now that India has to remit annually the sum of her whole debt to the Home Treasury without any assistance being derived from the capital payment in England by the guaranteed railway companies of India." It is much for the Finance Minister to make such a plain reference to this ominous subject, one to which we have frequently drawn attention; therefore we need not be critical. Yet while an official must speak of "*inevitably* large drawings," it does not follow that the public are compelled to acquiesce in this assertion of inevitableness. Could not commercial men give us some assistance in following up this very grave topic, now that an impression has been made on the official mind?

In regard to another peril which the Finance Minister treats in gingerly phrase but suggestive fashion, there is an urgent call for business men to turn their attention. We refer to the financial failure of our present railway system. Sir Richard Temple shows that "the goods traffic has for some years been either stationary or slightly retrogressive." Some idea of what this means in its bearing on the general condition of the country may, by the instructed eye, be gleaned from the figures given in the statement; but it is significant of the lack of moral courage prevalent in the Government of India that Sir Richard has nothing to propose, except the question, whether "the railway management and administration might not be more practically adapted to the needs and habits of the country?" Doubtless railway administration might be improved in some respects; but the few good men on various lines do wonders, considering the dead weight they have to pull against in a system of railways and rolling stock which is fifty per cent. too costly and cumbrous for the country. Sir Richard Temple knows well enough, from facts and stastistics before the Government of India, that there is *no* escape from the present ruinous loss, except in a very extensive and radical change of railway construction and equipment.

The two great facts of the financial situation for the year ending yesterday are—first, the loss on Railways has been £317,000 more than was estimated, being a total of £2,117,000; and, second, that Opium has yielded £1,482,000 more than estimate. "Here be truths!" —*April* 1, 1873.

AN ANCIENT BENGAL CIVILIAN ON BOMBAY SINNERS:

Admiralty Encroachment and Costly Railways.

AMIDST Budget statements and other pressing matters we have not found time to overtake the evidence given by Sir Charles Trevelyan before the Select Committee. It presents striking contrasts in the sound broad views propounded by the witness one half hour—and the narrow notions, ancient prejudices, and provincial antipathies that are drawn from him the next. Here, for instance, is an antiquarian fallacy, crusted like old port but crude and useless as sour claret—"Bengal gives, nevertheless, a magnificent return in the shape of indirect taxation; it is still the great treasury of India and gives a magnificent reserve." Home politicians, who on making further inquiry, may happen to have had the utter nonsense of this statement explained to them, may well despair of ever understanding Indian affairs. Here they find that a grey-headed Civilian, a man who has had full charge of all the financial concerns of India, indulging in a delusion which, if embodied in a student's examination paper, ought to result in his being plucked. This wild assertion about Bengal's "magnificent return in the shape of indirect taxation" was uttered in reply to the very sensible query put by Mr. J. B. Smith to the effect, whether, if there must be export duties—another of Sir Charles's inconsistencies and foibles—it would not be fair to restrict them to

Bengal, which, in virtue of its permanent settlement, enjoys a considerable degree of immunity from our imperial taxation. Why did not Mr. Smith, or some other Committee man, ask the too fluent witness to explain wherein consists the "magnificent indirect taxation" of Bengal? If Sir Charles had pointed to the opium revenue, there are men on the Committee who would at once have seen that the witness was talking absurdity. The opium revenue realised in Bengal is no more "indirect taxation" than would be, for the N.W. Provinces, the proceeds of a silver mine in Kulu, supposing that sub-Himalayan district shall ever produce such an out-turn. It is well-known to those who have studied Indian finance, that, apart, perhaps, from the indirect taxation paid by the Europeans of Calcutta, the taxes gleaned from the Bengal Presidency are far smaller per head than in the other province of India. This is really one of the tests and turning-points of Indian finance; yet when Sir Charles blundered so hopelessly in the matter there was not a single member of the Committee to set him right. We have often gone through and printed the calculations demonstrating the inadequate contribution of Bengal to the central exchequer, and we need not now go again into the subject.*

Possibly Sir Charles Trevelyan's intense antipathy to Bombay and all connected with it, is one cause of his repeating this ancient Nabob's tradition about Bengal being the "great Treasury of India." Be that as it may, Sir Charles's opinions about Bombay sinners, and his eager catching at Sir Stafford Northcote's phrase about the Governor of this "minor Presidency" taking "the bit in his teeth," is all very amusing, but does not go for much towards settling any still disputed questions relating to that period. As it has been aptly remarked by a contemporary, the quondam Governor of Madras is as good a specimen of a "runaway horse" as one might expect to meet in a Committee-room. . . . . .

In fact, Sir Charles Trevelyan put the Committee quite on a wrong tack when he represents Sir Bartle Frere as having appropriated imperial funds for Bombay purposes. The sin was the other way; and it is much nearer the mark when a well-known Bombay writer (whom we quote at some length in another column) speaks of "the policy of the Government of India in seizing the money of Bombay to enrich the imperial revenues." This is a true bill to a great extent; and the Finance Committee would do well to make a note of it before accepting Sir Charles Trevelyan's denunciations against this obstreperous Presidency. It was, indeed, the money of the private citizens of Bombay which paid for the ground on the esplanade from which the old ramparts were removed, for part of the Back Bay property, for the Powder Works at Mazagon, and for the Frere and other foreshores; and where has that money been spent? Not on a single one of the works so urgently needed on behalf of the health and commerce of the city. It has been spent on harbour defences which have caused more harm to our port than the batteries will ever inflict on an enemy—on almost useless reclamations, now tumbled into the great gulf of the Port Trust —on "standard" barracks in the Deccan—on Powder Works and other buildings at Kirkee —and on the Italian palace at Gunnesh Khind which cost nearly twice as much as it ought to have done. It is too bad that the people of Bombay should have contributed their money for these "imperial" purposes, and then that Sir Bartle Frere should be denounced by the Supreme Government or its partisans on the charge of appropriating national funds for the benefit of Bombay. . . . . .

Sir C. Trevelyan knows better than to admit that India either gets or needs any more protection from the British Navy than is received by Australian or any other of our colonies, not one of which pays a shilling for naval services; but he ought to have thought of that before he entered on his raid against the Indian Navy, which, as against the Bombay Marine, has been faithfully prolonged by the Department of Accounts, that organisation which is to some extent a memorial of the honourable gentleman. The Accountant-Generals have "nagged" away at the Bombay Marine, and caused it to sell off its few steamers until the annual reliefs have to be managed by contract, so that the Dockyard can now easily be made appear as too big for its work. In turn, we suppose, that institution will have to give way to some bran new establishment directed from Portsmouth and affiliated to that costly Westminster toy, the Hydraulic Lift. Sir Charles did point out, to Mr. Grant Duff, that keeping the peace of the Persian Gulf is a trifling work compared with what was required twenty years ago, when the Indian Navy officers had to be familiar with every islet and inlet;

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* See footnote on p. 408 *et supra.*

but the venerable financier lives to see his jealous narrow prejudice against Bombay which helped to extinguish the Indian Navy, result in less work being done for more money, and in Indian interests being sacrificed to the convenience of the Admiralty and the extension of its patronage in a direction free from parliamentary control. This is the natural consequence of the efforts of "penny wise and pound foolish" financiers, and prominent in the van of this band is Sir Charles Trevelyan.

He displays this characteristic in his mistimed efforts to check the great railway reform to which the Government of India has set its hand, though with feeble grasp. It is one of Sir Charles's merits that he does fully realise the impecuniosity of the masses of the India populations; witness his remark about 99 out of 100 being so poor that they can scarcely afford the present third class railway fares. Yet, this man is urging on the home authorities to make another big railway all the way to Peshawur which would "only cost £3,000,000;" and he would have the Indus Valley line made "on the full gauge" in face of the ruinous loss which such a course would add to the two lines above and below it, and which, as Sir R. Temple has just shown in his statement, did not, last half year, pay two per cent. He sees almost as clearly as Sir Arthur Cotton, the urgent necessity of India produce being brought to the coast at a very low rate of carriage; yet he exerts all the influence he has in support of a costly system of locomotion under which really cheap carriage for bulky products is impossible. . . . . .

We have not completed the list of inconsistencies presented by this financier on whom the Committee bestowed so much attention; for Sir Charles, who would compass sea and land to cut down the pay of sepoy or policeman by one rupee per mensem, clings to the extravagant but happily exploded folly of a perpetual settlement of the land revenue. —*April* 4, 1873.

HOME RESPONSIBILITY FOR INDIAN EMBARRASSMENTS:

Mr. Grant Duff attempts to Hide the Truth.

IS excessive expenditure more frequently forced on India by the home authorities, or invited by the Indian Government itself? This question is one about which, speaking broadly, there are not two opinions in India; but it appears from the keen cross-examination of Sir Charles Trevelyan (on March 4), by which Mr. Grant Duff attempted to fix the Government of India with responsibility for the "palatial barracks," that some members of Parliament do entertain doubts on the subject. Reasoning on *a priori* principles, one would think they must see that a superior authority having, practically, no responsibility for the raising or expenditure of money—which is the position of the Secretary of State either in or out of Council—would be more likely to devise and insist upon projects involving large outlay, than would the authorities in India whose personal responsibility for expenditure sticks to them throughout their future career, and who, as district officers, have seen and felt the ill effects of excessive taxation and revenues being drawn out of the country. But Mr. Grant Duff, having at length felt the official epidermis pierced by the Press of India in its continuous exposure of the huge barrack building blunder, made a dead set upon Sir Charles Trevelyan—who was Finance Minister in 1863—with, as we have said, the determination of fixing the Government of India with responsibility for that grievously mistaken financial and sanitary policy.

And how does the dashing Under Secretary set about this apparently impossible task? In the simplest manner possible. His recipe is, "let us stick to dates;" and with a carefully concocted set of queries, relating to the time when the report of the Royal Sanitary Commission was formally circulated in India—backed up by the subservient preconcerted evidence of Colonel Crommelin, introduced in a theatrical fashion for the purpose—he sought to hoodwink the Select Committee into the belief that the extravagant and ill-devised barrack scheme did not originate in England. Tricks of this kind and the offensive audacity with which they are performed have generated such a feeling of distrust throughout India against the two present parliamentary mouthpieces of the India Council, that the confirmation of the fall of the Gladstone Ministry would have been received here with jubilation. Of course, the retired Finance Minister was not prepared for such a broadside from these official guns, heavy shotted with dates. He ought to have declined to to answer these questions ingeniously contrived at the India Office, except after ample opportunity to consider what his replies would involve, and time allowed him to refer to

his own and other memoranda. It does not say much for the vigilance of the Select Committee that, except Mr. Fawcett and the Chairman as president, not one of them interposed to protect Sir Charles from the unfair badgering to which he was exposed. . .

But any one with a fair memory of this period of Indian history can easily reconcile the apparent inconsistency. In the passage from Sir C. Wood's despatch, just summarised, he is speaking in his own natural thrifty character; but what was he to do against the "general course of events," and in opposition to the indiscriminate mania for sanitary engineering that had set in at home, and of which the Report of the Military Commission for India was notoriously an outcome? That report appears to have been issued and sent to India early in 1864; but long before that, Miss Nightingale and all the influential sanitary authorities had been ringing the changes on the now exploded statistics of 69 deaths per thousand. Thus, no matter what date the report came out it is quite true, as Sir C. Trevelyan said, that "the outturn of that Commission was perfectly well understood in India." The misleading query, as put by Mr. Grant Duff, and his device to make the duly primed Colonel Crommelin say that he had not time to make alterations in his plans after receiving those of the Royal Commission, is so much like a deliberate misrepresentation, that the Committee ought to take serious notice of the episode. Sir Charles Trevelyan only repeats the conviction of everyone out here when he avers that "the model plans and recommendations of the Royal Commission were the polar star of the Supreme Government even before the report of the Commission was received." . . .

Doubtless, several members of the Government of India ten years ago, and some of its potent advisers were bitten with the sanitary mania of the period, and these would also be the men most subservient to the fashionable opinions prevailing at home in influential quarters. To weakness of this kind India owes many a million of needless expenditure, but it will require half-a-dozen Grant Duffs to disprove the proposition—that all the impulses to large expenditure of Indian funds have come from home delusions, misapprehensions, home interests, and home indifference to outlay which is not felt by the home taxpayer. It was so with the terrible blunder of the Afghan war; with the Dalhousie policy; with the Amalgamation; and now India will have a narrow escape if delusions in Parliament about the invasion bogie, and the sinister influence of London boards, contractors, and engineers, do not succeed in driving the Indian Government to an extension of the railway system, in its present costly form, a policy which will entail more loss on the Indian taxpayer than even that which is being inflicted by Amalgamation.*—*April 7, 1873.*

THE BENGAL OPIUM REVENUE:

Is it Indirect Taxation?

JUST now, when it is being perceived by the outer world that there are certain wide differences between the amounts of revenue contributed to our central exchequer by the nine provinces of India respectively, it may be well to look once more at the attempts being made, by one or other of our Calcutta contemporaries, to claim the Bengal opium returns as a provincial revenue. The *Hindo Patriot* appears to assert without reservation, that the whole nett returns of £6,000,000 or so derived by the State from the purchase and sale of opium in Bengal, is a tax levied on the cultivators of that Presidency, and is contributed by it out of profits that would otherwise be gained by the ryots, or rather by the zemindars and the middlemen. It only requires one to remember for a moment the conditions under which the Bengal opium revenue is collected, to see how futile is this plea. In the first place it must be remembered that a considerable portion of this revenue, though realised in Calcutta, is from the produce of the N.W. Provinces. But what would happen if the present system were replaced by free trade in opium, and permission were granted for the seductive flower with its cursed product to be produced by everyone, and everywhere that it could be induced to grow? Why, the price per chest would sink to probably much less than half the present figure; for the £6,000,000 which the *Patriot* regards as now being

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* As the result proved, there was *no* escape for India from these deluded or selfish influences on behalf of lavish outlay of Indian funds, under the burdencaused by which India has to struggle and stagger on her way towards a future of ever-increasing difficulty.

withheld from the zemindars and ryots of Bengal and sequestrated by the State, would, instead, be dispersed, not only amongst the cultivating and landholding classes all over India, but the lion's share of profit would be absorbed by the overmastering capitalist class.

Here we must invite the *Englishman* to step into the discussion. After admitting, in other words, what we have just said as to the certain disappearance of a large portion of the present price in case of the State withdrawing its hand, our contemporary remarks: "On the other hand it is by no means certain that the total profit on all the opium exported would be very much less than under the monopoly, for a very much larger quantity would be exported by the Bengal Presidency, and consumed by the Chinese at the lower rate." Here the writer has overlooked the want of accord in the terms of his own proposition: "All the opium exported" (under a free trade system) is quite a different factor from that which would be "exported by the Bengal Presidency." The peculiarly artificial conditions of our present opium cultivation seems to be forgotten by our friends in the east. Purely for fiscal reasons, the growth of the white poppy is forbidden throughout India, save in Bengal and certain districts of the N.W. Provinces. It is true that Bengal possesses certain specialities in soil and climate, which, under any circumstance, would give her opium-producers a great advantage over their competitors in other parts of India; but this consideration suggests two questions—first, do not the producers and the merchants of Bengal, under the present system of regulated purchase by Government, reap a large part of those natural advantages? Second, would not competition, even within Bengal itself, tend to assimilate the rate of profit on poppy and opium to that which now accrues in the cultivation of indigo and other products? But when we come to consider what under an open system would be comprised in the terms "all the opium exported," it becomes apparent how greater the mistake in the estimate that "the total profit" gained by Bengal would bear any appreciable relation to the £6,000,000 now collected by the State—*after*, be it remembered, all the ordinary expenses of cultivation and manufacture have been satisfied. . . . . .

Having spent quite enough attention on the fallacy that the opium revenue "is in effect a deduction from what would otherwise be paid to the [Bengal] producer and merchants," we must turn for a moment to the purely fiscal and economic aspect of the question on this subject. . . . . .

If the cultivation were to be thrown open, it is probable there would be much inferior opium produced in India; but, from all we can judge, amidst the score of reports issued on this subject, it is tolerably certain that the Indian drug, as a whole, would still maintain a distinct supremacy over the Persian, Turkish, or native Chinese competitor. We have supposed all this had been plain enough and admitted by everybody; but when a Calcutta journal of standing writes that an export duty on opium "would obviously be on the same footing as a duty on Bombay cotton," it is time to revert to the first principles of the matter. Were a duty put on Bombay cotton, the effect on the total supply received at Liverpool would be very slight. The consumers of cotton cloth would get all they desired; but the producers of cotton in the Bombay Presidency would get just so much less than the market price for their staple as would be represented by the duty laid on here at the place of export. No dealer would buy it from them without first reckoning the fixed charge of the export duty. In the case of opium, on the contrary, the producer obtains, at least, and probably more than an average agricultural profit, before the monopoly price comes into consideration; and the *Englishman* quite mistakes in saying that "the Chinese pay the market price for their opium." If we take the term "market price" to mean, natural cost of production under competition, including all proper profits and charges, then it must be said that the Chinese pay three or four times its market price. And this they do because the Indian Government has for fiscal purposes, arranged to restrict and monopolise its production.

Thus we are brought to the consideration of the opium revenue under the head of inter-provincial finance, and if our Bengal friends are about to set up sectional claims, we shall have to push them hard. What right have the dwellers in Bengal to claim more than their *pro rata* share in revenues created by special arrangements in order to supply the general purposes of the State? Are the denizens of the Punjab to claim a special interest in the proceeds of the Salt Range when the branch railway shall have been made? Is the Supreme Government to place in its own treasury exclusively the profits that are to be derived from working the Sambur Lake? Or is Madras to be denied any share in the pass duty on Malwa opium now collected at the Bombay Custom House? To recapitulate: We think it has been

shown—first, that if the opium revenue can at all be spoken of as "indirect taxation" it must be only to a small fractional amount and in a very strained and secondary sense; second, that the State profit realised in Bengal from opium is the rightful appanage of all who are subject to the Governor-General of India. It may be added that it is highly probable that the Bombay Press "will persist" in maintaining these views, inasmuch as they are consistent with the established principles of economic science and fiscal ethics.—*April* 14, 1873.

MOFUSSIL MONEY-LENDERS:

Is Their Wealth Increasing?

WHAT is the present financial condition of the money-lending class, more particularly the Banian, or as they phrase it in Bengal, Bunnia caste, is a very interesting and pertinent question of the day. Some time back in adverting to this subject we took occasion to remark, incidentally and in interrogative form, to the effect, that as rates of interest in the mofussil had not declined, therefore the coffers of the Bania can scarcely be in that overflowingly prosperous condition in which many writers represent them to be. . .*

But under the British Government there is, perhaps, no other class which feels more distinct a sense of security than this shrewd and ever calculating community. According to our observation and inquiries we find that the Bania scarcely fails to turn every rupee he has to account. We find this to be a matter of every-day experience in our own Presidency, and we have no reason to think that the case is much otherwise in any other part of India subject to British rule. Hence, in spite of the trade unionism which he cherishes, if the Bania had more or increasing funds at his disposal, or if there were many more money-lenders than are actually met with, rates of interest would obviously be on the decline. Such, however, is not the case so far as we can learn.

We are next told that the foreign trade of India has of late made most enormous strides, that this large increase has added proportionately to the business of the mofussil money-lender, since it is through the agency of the Bania that the produce from the interior is brought to the ports to be purchased and shipped by the European merchant; and, further, that "this increasing business, unattended by any such increase of competition as would occur in a country where no caste restrictions hampered trade, undoubtedly means a large increase of profit." This statement of the case might have had some truth in it ten or fifteen years ago, when the interior of the country was not open to European enterprise; but it hardly holds now, or at least must be taken with very large exception. To support this view, we would point to facts connected with our own Presidency. Very great changes have come over the country in this respect during the last ten years. Communication by rail and telegraph with the extreme points in the mofussil having become easy, the European merchant has been brought face to face with the producer. . . . . .

Bearing these facts in mind it is incorrect to say that the increase in the export business of the country has added, or is adding much to the wealth of the Bania and the Soukar class. It is also a mistake to suppose that this buying for export and selling of imports are transacted mainly through the agency of that class, or that competition has not broken down its monoply. Of course we speak chiefly for Western and Central India—the position of affairs may be different in zemindar-ridden Bengal. We are far from saying that the money-lenders are not a well-to-do class, as compared with many others. It has, we quite admit, profited more by our rule than any other section of our native fellow subjects, being a shrewd, active, and intelligent, though generally illiterate class. It is true enough that under the previous Government, the Bania, of all others, was the person most likely to be drawn upon by the all-powerful Sirkar, when in need of money; but connected with this, it must also be remembered that the Bania had unusual opportunities of profiting himself under native rule by the monopolies he enjoyed. Any pressure put upon him by the Sirkar in an emergency was more than compensated for by the extraordinary powers given him to recoup himself by exacting double the amount from the territory or territories of which he farmed the revenues. . . . On the other hand if there be indirect but ever constant causes at work, tending to reduce the profits of all classes of the community, then the money-lender, with all his craft and caution, will find it impossible to raise his rates or

* See pp. 387-8.

increase his store. That some such retarding influences are at work amongst all classes checking that accumulation of capital and growth of prosperity, which peace and good government ought to secure, is plainly seen by close observers; and this state of things presents a perplexing problem, the solution of which is but in a very small degree helped by the hypothesis of the ever-absorbing Bania.—*May* 13, 1873.

EXPENDITURE PRESENTED IN DETAIL.

THE annual yellow-book is issued late this year, but except in colour and title page all is changed. It is, as of old, inscribed in front and back as containing the "Finance and Revenue Accounts of the Government of India for the year 1871-2, and estimate of Revenue, Expenditure, and Cash Balances" for the current year compared with the actuals of 1871-2. Thus, so far as externals go, the *amour propre* of the jog trot Financial Department betrays no sign of the severe shock it has received, which has resulted to the public in an almost entire transformation of the statements now presented. The accounts rendered are nominally the same as before. The book, though feeling much more bulky, only contains 42 pages more than its predecessors; but everything is presented in far greater detail than before, and the arrangement is more concise and homogeneous. Altogether, an effort has been made to present an intelligible and instructive statement of the national expenditure and income, which effort, having been to a large extent successful, deserves commendation. Whether this substantial aid to the power of public opinion over the public purse is to be attributed to the reflex influence of the Finance Committee, or to Lord Northbrook's internal force acting from within, or to both of these forces, journalists and the public must be equally grateful for the improvement. Have we not all at one time or other found ourselves worked up into a desperate mood because of the impossibility of discovering how and where the money has gone under the Public Works, the Military, or other big lumps of expenditure. But now this communicative yellow book tells us that up to the close of 1871-72, £207,319 had been spent at Saugor towards "a new set of buildings for a regiment of European infantry" (no mention of sixteen lakhs of that being wasted); that at Mhow £98,897 had been spent towards a similar purpose; and £138,115 at the same station for a cavalry regiment. We are shown that at Allahabad (though nothing is said about the fall of the Gun Carriage factory), £279,310 has been expended on "a complete set of buildings (every item of outlay given) for a regiment of European infantry;" while at the same station £45,529 only has been required to accommodate a field battery of artillery; and the gas works for the cantonment have been put up for £10,010. We observe, too, that on recent works at the Kidderpore dockyard—an institution commonly supposed to be superannuated—£43,792 have been spent. Turning to what more directly interests ourselves, we learn that the "project for the Harbour Defences of Bombay had cost, last year, £504,791, of which £214,359 was caused by that lamentable blot on our fair harbour, the "Middle Ground Battery," where no battery is. We have the satisfaction of knowing that the Hydraulic Lift, up to the end of March last year, had cost £102,923 in Bombay, £200,000 having been previously paid in England.

But we must not go into details, though it is greatly by reason of them that the yellow book has now attained new value. . . . It is true these statements are anything but prompt in appearing. The "actuals"—if such they really are—are fourteen months after date, and the outlay recorded is all gone and done for. The estimates, too, are of little practical service towards affording means of control on behalf of the public. We are already well advanced in the year to which they relate; and, then, are not all these grants fixed by his Excellency the Viceroy in Council after hard-won agreements with the minor administrations? Still, it is only during the last few years that the Indian taxpayers have been able to know how their money has been spent. The incentive of the income-tax is withdrawn. We are to hear no more of "the ignorant impatience of taxation;" but there is, we trust, sufficient public spirit left amongst those into whose hands this yellow book will come to make them intelligent and persistent critics of our imperial expenditure.

This criticism will always be most profitably directed against the great spending departments. Those institutions should be constantly called upon to justify themselves; and at last we have distinct and detailed information which will allow of this great public

service being performed. Army charges, of course by far the largest of all, are shown, as we previously know from the Budget statement, at £12,036,098 in India and £2,704,830 at home, being a total of close upon £15,000,000 sterling. But over and above this, there is that big item "military buildings," hitherto hidden from the public under the general aggregate of Public Works. In this book—though the compilers have contrived to avoid giving the total—we are shown every item of outlay on or in connexion with military buildings in every province and important station throughout India. The expenditure under this head in 1871-2 in the Bombay Presidency was £165,868. This included items on the harbour defences of Bombay, and £35,300 on the Hog. Island Lift; nearly all the rest was for barracks and other accommodation for troops. The "total outlay on each work to end of 1871-2" is given all through this table; but, as we here said, strange to say, no total is given. We have taken the trouble to cast it up for the Punjab, and find that these military buildings, by far the larger portion being "palatial barracks" constructed within the last four or five years, have cost close on £1,000,000 sterling, that is £999,151. The elaboration with which these works have been carried out—the wash-houses, cook-houses, sergeants' quarters, workshops, and so forth—proves that amazing solicitude has been felt for the safety and comfort of our British troops. . . . The long array of expenditure on "Agricultural Works" (in common parlance, irrigation projects) would be wholly gratifying could one feel certain that the great majority of the constructions are sound and durable, and if the actual returns more nearly approximated to the estimates of profit. However, let us hope that in this great field of State outlay our Public Works Department is gradually acquiring experience which may eventually prove the means of checking the impoverishment which prevails in our arid districts, and reinvigorating the industrial powers of the land.

We have referred to the intelligent principle which is manifest in the re-arrangement of these tables and the wiser plan on which some of them proceed. The question of inter-provincial finance, to which we have so often urged attention, has begun to open up before the Financial Department itself. Instead of the old plan of simple addition and division, the rule of thumb by which all the monies collected in each province were presented as the revenue raised from the people of that province, we have in Table VI. a statement which fairly approximates—though after the exclusion of three large sources of revenue—to a true picture of the relative contribution of the several divisions of India. This exhibits Bengal with all its teeming fertility, contributing £22.44 per square mile, against Bombay—with its arid Deccan and desert Sind—yielding £22.53; while, reckoning per head of population, Bengal appears as contributing £.08 and Bombay £.26—or more than three times the amount. We do not overlook that the new and correct figure of the Bengal population is used for computation, whilst Bombay stands at the old figure—which probably requires to be augmented one-twelfth. This, however, would only bring down the twenty-six to twenty-four. But we cannot enter on any such calculations until Dr. Lumsdaine shall have drummed our census returns out of the collectors.—*May* 21, 1873.

AN IMPERIAL DIFFICULTY:

The Drain of Revenue.

TO obviate the chance of misapprehension that might arise out of the remarks we propose to make on a certain vexed question, we may as well at once disavow sympathy with the ultimate desire or expectation cherished by that ardent junior Civilian, the Positive philosopher—late of Pooree. Mr. Geddes, we believe, looks forward to the time when, from a variety of causes—all of them but various methods of exhausting the golden goose—the British nation shall relinquish its hold on India and leave its population to the unfettered and untaxed efforts of their own hands and heads. We have no such anticipations. Believing that the superior energy of our Northern race—an energy moral as well as physical—is indispensable to the peace and prosperity of India, we think that a large majority of the well-informed amongst the people of India will always be found to give effective support to British rule. And if our own countrymen can only be induced to forego a little of the conqueror's sentiment and become somewhat more amenable to conciliatory influences in political and service matters, we see no reason why

the connexion should not continue, and with ever-increasing mutual benefit—to adopt the phrase of the treaties—as long as sun and moon shall endure.

It will be one sign that this reasonable disposition is being attained when English journalists can accept without irritation the plain truth and manifest matter of fact, that, by reason of alien rule, India must perforce pay away annually a certain portion of her industrial revenues, her accumulation of floating capital being thereby sensibly checked. When instead of adopting the tactics of the ostrich, instead of trying to pick holes in the customs returns and running through international trade statistics to find some country, which by reason of its temporarily anomalous position exhibits some similarity to the condition of India in this respect, we find our public men quite willing to face the fact of this outflow of wealth without *material* recompense, something may then be done towards checking or compensating for that outflow. We have underlined the word "material" for herein lies the centre and pith of the question. If everyone who dislikes to confess that the effect of the political connexion between the two countries is to make India yield something like a tribute to England, allows himself to run off into side issues about the moral and political recompense which India obtains from that connexion, there would be no end to the controversy. It is the simple fact that requires first to be admitted; and, plain as that is, the disinclination to look at it still requires to be conciliated. . . . . .

Let anyone accustomed to trace the productive and reproductive operations of capital, consider what is the loss this impecunious country suffers by due withdrawal of that vital element. And, now, as to the way in which this unrequited withdrawal works. We have an illustration and analogy provided ready to our hand, and by no less an authority than our local contemporary. Moreover, this will, perhaps, be more readily accepted than some comparisons relating to this subject which we have, at times, drawn from the circumstances of France and other European countries, seeing that it relates to an Indian district—it is an exact parallel of the less within the greater. The passage occurs in course of an article in which the writer is remonstrating against the undue pressure of some recent land settlements in the Deccan; and in order to bring his arguments home to the authorities he thus presses on their attention the stern matter of fact:—

> We would ask the Bombay Government to remember that whatever name they may give to the land revenue, it is so much capital drawn yearly out of the district which pays it, of which a large portion would otherwise, very probably, be invested in a reproductive manner in the district itself. The larger the amount taken the dearer—by all the laws that govern any commodity, be it money or what you will—must money become; and as ryots who are involved and, in bad years, those that are not, are forced to go to the soukar for their land-tax, the more you take from each individual the quicker must he become involved in debt, the less likely is he to get out of it.

Now here is an almost exact analogy to the imperial difficulty we are considering. In the words of the writer—"Whatever name we give to the (excess payments of India to England) it is so much capital drawn yearly out of the (country) that pays it, of which a large portion would otherwise very probably (in the case of India, most *certainly*) be invested in a reproductive manner in the (country) itself." Here is all our case; and, when the writer goes on very properly to refer to the effects produced on prices and indebtedness by the withdrawal of money and money's value, he only delineates with strict fidelity the depressing and impoverishing influence of this continous depletion which is proceeding on a gigantic scale. Now if any critic were to say to this writer—"You don't know exactly how much is drawn to the Government Treasury from the Sholapore District; then you must not forget that the Bombay Government maintains order in the Deccan, and without its police and troops the ryots might not be able to reap their harvests." Would not the writer we have quoted from the *Gazette* be quite justified in turning away from his critic with the remark—"Yes, I know all about that; you must be either stupid or a trifler, for those considerations do not alter the fact which I stated—namely, that the district is so much the poorer for the rupees taken out of it, unless you replace them with other money or commodities." So desirable is it that the details of this subject should be understood that we would advise reference here once more to the late Professor Green's writings now more than twenty years old. He wrote soon after the first settlements of Goldsmid, Wingate and Davidson, and many of his warnings appear almost prophetic. . . . . .*

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* *Bombay Quarterly Review*, about 1854.

We need not stay here to trace out the effects of expenditure in a distant country of revenue raised in another and much less civilised one. Sir George Wingate did this at a later period;* but the train of investigation might be followed with advantage, it being one that goes far to explain many of the commercial and monetary anomalies around us, that perplex the merchant and cause the conscientious administrator many anxious thoughts.

An Analogy and Confirmation.

In conclusion, we must revert one moment to the "evidence" of the Bombay witness who tried to persuade the Select Committee that the case of America with its excess of exports over imports at the rate of £21,000,000 per annum from 1866 to 1871, was analagous to that of India. He must, we think, have caught the Committee napping; for it is due to the frankness of the witness himself that the one differentiating circumstance in the case of America was noticed at all. He said that "it might be that the United States have been reducing their debt in the same period" but left it to the Committee to guess by how much. Precisely; America has been paying off her national debt, and that, too, at a rate never witnessed in the world's history before. In the work quoted from by the witness it is mentioned that from March 1869 to July 1872, that is in little more than half the period of excess exports quoted, the reduction in the public debt amounted to £66,795,380; and, as the witness seemed to be well aware, a very large proportion of the whole debt is held in Europe. It is worthy of note, too, that from another table in the same work we perceive that the capital of the debt was reduced from £579,880,390 in 1866 to £450,650,265 in 1872, a difference of £129,230,000 or nearly the same amount as that by which the exports exceeded the imports in the six years' returns cited before the Committee. Thus the payments to creditors are represented in these excess exports, which, though similar to the circumstances of India, are quite an anomaly in the commercial history of free states. There are several interesting and instructive analogies and contrasts that arise out of the comparison between the financial position of America and British India but we cannot enter into these at present.—*May* 22, 1873.

A REVIEWER REVIEWED:

And a Gap of Eighteen Millions.

THE *Saturday Review* of the 26th April last reviews Mr. R. H. Elliot's book "Concerning John's Indian Affairs." We care not to enter here on the reviewer's opinions regarding Mr. Elliot's economic ideas, but cannot allow to pass unnoticed certain ignorance of fact displayed by the critic himself. . . . . .

It is not our purpose to "again slay the slain," but the reviewer's remark as to "Indian financiers displaying the negative merit of leaving things alone," will be peculiarly pleasing, if not surprising to the Honourable Sir Richard Temple. It is also surprising that in a paper of the high standing of the *Saturday Review* such an unblushing mis-statement should be permitted. Wonder almost ceases at the apparent ignorance on Indian affairs in—otherwise well-informed—home circles when their promptings are gleaned from such misrepresentation. The mischief done by them is incalculable, and it is in the greater ratio with the character or standing of the authority which disseminates the statements.

On the other hand, we must thank the *Review* for the apt phrase "curious misconception," which we apply to its own daring but cunning assertion that the income-tax was "*paid* by only an infinitesimally small portion of the community." This is a mere echo of the Finance Minister's grim joke about "only thirteen petitions," and Mr. Grant Duff's subsequent clap-trap in the House. But the cunning and gross misrepresentation lies in that word "paid." Its use implies that homage to truth which is of a very sinister sort; while it is an audacious evasion of the strongest practical arguments against the levy of any income-tax with a low range—namely, that such an impost becomes the excuse for extortion and pressure on thousands who never pay the tax at all. The topic is now happily out of date; but, thanks to the impertinent misrepresentations of the *Review*, we have forced on

* *Bombay Quarterly Review*, April 1857; also "A Few Words on our Financial Relations with India." London: Richardson Brothers; 1859.

us the bitter remembrance that Indian trained administrators were found who could justify the levy as a tax on the well-to-do, when there was abundant opportunity for them to know that it was a grievous harrass and oppression on all but the mere labouring classes; and, then, one may well take the dogmatic reviewer to task for use of that phrase, "the great bulk of that indigenous population." In its strict meaning, this term—as the smart London writer ought to know—would only include the Gonds, the Bheels, the Sonthals, and other hill tribes, and we are quite willing to make him a present of the admission that these jungle-wallas were not "affected by the tax;" but with the exception we have named—the labouring and menial classes—"the great bulk" of the Indian populations were grievously affected by that unpardonable levy of 1870-71.

In reference to another vexed question, the reviewer comes down heavily on Mr. Elliot's bones, and not without some reason. This is the *Review's* criticism :—

A still more extraordinary blunder is contained in the statement (p. 191) that "India is suffering from an enormous annual depletion of cash to this country (variously estimated at from £12,000,000 to £16,000,000 a year)." Who may be the wiseacres who have framed these sagacious estimates we know not, but without crediting Mr. Elliot with any great depth of information on the subject, he ought, at least, to have known that the fact is precisely the reverse, and that it is Europe, and not India, which undergoes "the enormous depletion of cash" to pay for the large excess of exports over imports in the trade of the latter. Whether that is a good thing for India is another matter, but a person who professes to enlighten the English public about that country should at least have mastered this elementary fact.

Mr. Elliot is a slapdash writer, but one can scarcely understand how he came to make such a gratuitous blunder as to use the word "cash." Besides, the figures of excess of exports are somewhat too high as an average. However, he has got his reward from the *Saturday Review*, so we are now free to remark that the reviewer, in his eagerness to correct Mr. Elliot's mistake has gone far to expose what looks, on his part, very like his own ignorance of "an elementary fact." We have a right to hold the keen reviewer to the strict interpretation of his words; and when he speaks of Europe sending enormous amounts of cash "to pay for the large excess of exports over imports" in the foreign trade of British India, we are bound to suppose he means that the said cash is *sufficient* to pay for the large excess of exports. But if the reviewer does believe so, he is much further out than the impetuous Mr. Elliot whom he rebukes. He knows that according to the normal trade relations between foreign countries, that this is the usual course of things; but if the reviewer is not aware that the *total* exports of British India very largely exceeds its imports, then we must admonish him in his own words, to wit—"a person who proposes to enlighten the English public about India should, at least, have mastered this elementary fact." In order that the reviewer may be without excuse in future, we present him with a striking illustration of "this elementary fact," as drawn from the Trade and Navigation Returns for the twelve months ending March 31st, that is, the complete financial year of 1872-73, which comes to hand as we write. These are the figures which we commend to the notice of the *Saturday Review* and all home writers "who profess to enlighten the English public about this country" :—

FOREIGN TRADE OF BRITISH INDIA

For the Twelve Months ending March 3, 1873.

Total Exports of Indian Produce	Rs.53,44,15,849
" " Treasure	1,29,80,790
Total Exports	54,73,96,639
Total Imports of Merchandise	31,26,05,751
" " Treasure	4,55,65,850
Total Imports	35,81,71,601
Deficit for which India receives no *material* return	£18,922,503

We must confess that—making all possible allowance for the fringe of excess, caused by over-valuation of exports, which there may be in this nearly 19,000,000 sterling of price paid for peace, security, and foreign rule—this figure is appalling. Still more appalling is it that "this elementary fact" is not only not known to the picked writers on the London Press, but it is not known, or, if known in a loose way, is not realised or appreciated

by any considerable politician in either of the great parties of the State. The awakening will come some day. We have done our part to arrange that it shall come naturally and gradually rather than in some crisis of difficulty. When some leading man belonging to the ruling classes shall have his eyes opened to "this elementary fact" in the financial relations between England and India, and when his authoritative utterance shall convince the host of second-rate men, there will be great consternation in the old island for the space of a few weeks. The Whig-Radicals, and Philistinian politicians of sorts, who "cannot see what good India is to England," will exclaim impatiently—"We have no business there, cut her adrift." But wiser second thoughts will prevail. It will be found, on due investigation, that not only does England derive many millions of trade profit which she would not receive were India left to herself or held by some other Western power, but that the care of India and the sense of power and responsibility derived from England's hold over her are, in a political and moral sense, of inestimable value. Then it will be seen that India can be retained on terms mutually advantageous to both. It only requires that simple justice be done by England taking on her own Treasury and taxpayers a fair share of the cost of maintaining the connexion between the two countries. This would have to be a substantial contribution. It should include a considerable portion of the normal Home Charges (except interest), and not the mere paltry contribution of cost of the subordinate India Office establishment, as suggested by some feeble critic of ours on this question the other day.

We are speaking of the future, but it is becoming painfully evident that there is no time to be lost in arranging for some such financial adjustment. We may criticise recent land assessments as somewhat too high, and the champion of rack-rents for the Sirkar may taunt us, with some show of reason, in asking if an extra twelve annas or rupee per acre can make so very much difference to the ryot? And, within measure, it may be admitted that if the cultivator cannot pay the new assessments, neither could he do much more than live under the old rates. Why is this? The full reply to this query would have to deal with currency and population questions, with the history of prices, and the influence of modern customs and communications; but, beyond or below all these, there comes over one the creeping fear that the bottom is dropping out of our financial and industrial frame work. Have these £18,000,000 (commercial) deficits anything to do with that?—*June* 4, 1873.

GEORGE KELLNER ON MILITARY ACCOUNTS.*

IN the last two portions of the Report presented in our issues of May 24 and 31, the material there furnished, chiefly the evidence of Mr. G. W. Kellner, is of a nature which almost precludes criticism; it only remains to sift out its results. Here the Committee have, at last, a witness competent, fully furnished, dispassionate; but also one who can hold his own without needless assertion, like that displayed, for instance, by Mr. Goodliffe, the Accountant expert, formerly of the India Office. With the Accountant-

* Some passing notice is due of this remarkable man who died in 1886, soon after he had been appointed Paymaster-General of the Supreme Court of Justice. Being in Calcutta when a lad, he started life by obtaining a small clerkship in one of the Government offices there; gradually his talent for dealing with figures made itself known; he then rapidly rose, until the heads of departments found him indispensable. His patience and indomitable perseverance enabled him to unravel the most muddled accounts that could be presented; and as his services came into wider demand, he was equally successful in dealing with the large finance. In 1865 he was deputed by Sir John Lawrence's Council to revise the financial arrangements of the guaranteed Indian railways at Calcutta, Bombay, and Madras. He afterwards rose to be Controller-General of Military Accounts—a position never before occupied by an "uncovenanted" man. On his retirement from the Indian Service about 1879, he was deputed to examine the financial condition of Cyprus. His report on that subject was highly appreciated by Lord Beaconsfield, who thanked Mr. Kellner most heartily for the service done; and it was mainly to this that he earned the decoration of K.C.M.G. He was also deputed to examine the system of Army accounts in France; and he also went on some similar errand to Berlin. Later on he was sent, we believe, by the Board of Trade to Canada and the United States to compare the system of railway accounts there with ours. Subsequentlly he visited our West India Colonies, mainly on a voyage of recreation; but having examined the system of accounts in the principal islands, he made a report thereon, which met with Mr. Gladstone's high approbation; who, in a highly eulogistic letter, offered him the onerous and distinguished post of custodian of the finances of the Supreme Court—which, as already mentioned, he did not live long to occupy. Few men have had more searching, and sometimes invidious duties to perform than George Kellner; but fewer still have been more generally liked and respected.

General of the Military Department before them, and who has a good second in Colonel Allen Johnson, the committee appear to have turned fairly to work. The questions put have been relevant and consecutive, except now and then when interrupted by the not unnatural impatience and irritability of some members, who found the details of the subject far too complicated for them to take in at one sitting. But Mr. Kellner, though full of detail and conversant with the history and by-ways of all the accounts, makes no parade of his knowledge. After some exigeant demand by Mr. Fawcett, he merely replies: "There are changes every year—increase and decrease—and to follow all these changes would involve a very large amount of calculation." To which rejoins the impetuous member for Brighton—"Then I submit that, unless these can be followed out there is no use putting any questions," with a little more to similar effect. Whereupon, instead of giving, as Colonel Allen Johnson would be inclined to do, the smart answer that stirreth up strife, Mr. Kellner quietly remarks that he did not know such details would be required, but he can produce even those minor items at the next meeting of the Committee. This appeared to have a good effect on Mr. Fawcett, who explained that he really did not want to know all the various ups and downs of the accounts, but only or chiefly whether the total outlay on any particular head of charge has increased; also how, when, and by whom.

This incident occurred during the investigation of by far the most important branch of current charge—that of military expenditure. This was taken up partly from the standpoint adopted by General Sir George Balfour when he tripped up Sir R. Temple's statement in last year's Budget, where the Finance Minister boasted that the military charges in India were then less than in any year since the Mutiny. The gallant General admitted the figures, but disputed the inference; and then went to show that, taking into account the lower number of forces now as compared with ten years ago, the assertion was misleading. Sir George pushed his argument home, and made the Finance Minister's sham economy look like a very poor farce; but he also rather overdid his own part, misrepresenting what a greater man than either, Sir Henry Durand, had said on the subject, and altogether the ground was left somewhat encumbered. This the examination of Mr. Kellner tends to clear up. . . . . .

We find that in the year when the Dalhousie policy had contributed its last brand for the great conflagration, the European troops in this country were 44,522, and Native forces, 334,070. Here we may call to mind—though the two co-ordinate facts are not brought into juxtaposition in the evidence—that the total army expenditure of that year, both in India and England, was only £13,227,879. With this we have to compare the numbers in April 1872, of European troops, 60,987, and Native forces, 115,355, that is 176,342 in all; the total outlay for which we make out to be about £15,000,000, allowing for the refunds. . .

This brings the cost per man to £38 10s., £46, and £37 10s., in 1856, 1869 and 1872 respectively. This is one of the few statements of Mr. Kellner's that we think requires testing; and we do not quite see whether these statements of cost include sick allowances and furlough pay. There is a crowd of details relating to different scales of army organisation which we must leave to military critics; only in doing so, we must express an earnest hope that they will not leave it alone. In the same day's examination we have now been noticing, occurs that amusing passage in which Mr. Fawcett rather testily expresses his opinion that the extra cost of the Governor of Bombay's band is a typical development of the startling proposition, evolved in great measure from the member for Brighton's moral consciousness—to wit, that "everything in Bombay is extravagant, and costs 2½ times more than it does in Madras."—*June* 1873.

RELIEF FOR THE INDIAN FINANCES:

Buying-out the Surplus Colonels.

At last the superincumbent rolling stone of Sysiphus begins to feel lighter, and the hope arises that, after all, we may not be fated ever to strive at a fruitless task. In other words, our great namesake of Printing House Square has taken up that portentous question of accumulating Colonels' allowances, the financial peril caused by which we have so frequently dwelt upon during the last four or five years. In the file of the *Times* brought last week was the so-called "communicated" article, of which mention had been made by telegram. The subject was tolerably well opened up in that contribution: but it seemed to be written with a desire to make the most of the steps taken—all too tardily by the Govern-

ment of India in 1868—and with too palpable an effort to puff the surviving member of that Government, whose name was associated with the particular retirement scheme preferred for acceptance of the India Office. . . . General Hannyngton's letter, now before us, comprises little more than an abstract of the Government of India's proposals—which proceeded on the offer of a bonus and also increased pension—together with a reiteration of the gallant actuary's belief in his own heavy bills of mortality, under cover of the heavy shotted figures of which the Secretary of State said of the coming Colonels: "Don't buy them off; they will die off in good time."

This, as we have just remarked, was only the opinion of one actuary; and since the date when the General's very liberal death-rate was accepted with so much avidity by the India Office, a good deal of light has been thrown on the interesting speculative subject of old Indians' longevity. Apart from all disputatious calculations, we all know what remarkable vitality characterises men living in expectation of a reversion at a fixed rate of £1,100 a year; and also how, when they enter on that comfortable annuity, their youth is renewed and they take a new lease of life. All this is a matter of settled observation. It is not so generally known that the actuaries—those stern secretaries of old Father Time—have recently been compelled to admit, by the evidence of mortuary statistics, that the lives of Anglo-Indians who have attained 44 years are "better" than those of any other class at the same age in the British community. We believe this applies, with certain obvious exceptions, to those who remain a few years longer in this country, as well as to those about that age who retire to the West. And as the only way in which the Secretary of State's sham retirement scheme of August last is likely to operate at all, will be to tempt a number of field officers who have attained that testing age of 44 to dwell at home—their chances will be somewhat increased of living on to snap their fingers at General Hannyngton's deathly statistics, and to draw their £1,100 per annum for the rest of this century.

The India Office actuary pits his own estimate of 629 Colonels surviving in 1891 against the late Controller-General's calculation of 982; but he admits that the former number represents a very serious burden on the Indian finances. And, in truth, a still more moderate and, therefore, under-estimate of survivors gives results which long since ought to have appalled—we will not say the Secretary-ridden Military Committee of the India Office, but the members of our own Supreme Government. . . . . .

Let us turn to another branch of this controversy, which, at last, as hope of success breaks in, begins to be interesting. In our article of July 1st, just four years ago, and before the point had been hit elsewhere, we drew attention to a big blot in General Hannyngton's calculations, at which the *Times* only now glances slightly and still fails to see its significance. We refer to the circumstance that the gallant actuary had omitted to credit the retirement scheme with the amount, from cessation of Indian pay, which would at once accrue on the retirements of those officers who accepted the terms. That omission was afterwards pointed out in the Broome-Norman rejoinder; and though the India Office actuary cannot ignore it in his present letter, he really gives the subject the go-by. He merely cites a very foggy passage in his own report, in which he remarks "It would be vain to frame an estimate of possible saving from this source"—*i.e.*, if Indian pay ceased—a meaningless expression on which we severely commented at the time. In our examination of the question we were in no way bound by the Government of India's particular proposals; but, by inserting in the actuary's statement the adjustment of Indian pay saved, we brought out, as General Broome did, a balance of £500,000 in favour of the Indian Government's scheme, instead of its being debited with £500,000 loss. To one opinion expressed by General Hannyngton we are inclined to give adhesion: that is, when he says "Any measure (for promoting large retirements) not operating continuously would be unsuccessful." Of course the first object is to attain an immediate certainty of future relief; but we admit that it would not be well to invite a wholesale stampede. Let the whole depletion be spread over three or four years. This effectual, but not hasty movement would be best secured by the method we have proposed—namely, that, after Government has ascertained, by independent and well checked actuarial calculation, the value of each field officer's reversionary claims, let a large number, say 200 in all India, be asked to say what they will take in lieu of all claims. On the reply being given, the Executive would decide whether to accept or not; and in doing so, the authorities would be guided, not alone by the pecuniary aspect of the bargain, but partly by the estimate entertained of the bidder's present and prospective personal value. . . . . .

Anyhow a better spirit is now creeping over the slow mind of Westminster officialism;

and we now quote with heart-felt pleasure and a sense of long deferred relief, the concluding sentence from the *Times'* article of May 27th: "That matters should be suffered to remain as they are until all the prospective claims to Colonels' allowances have arrived unchecked at maturity, seems to be the one course the pursuit of which is inconceivable; and, notwithstanding the calculations of General Hannyngton and the despatch of the Duke of Argyll, we trust that the whole question will shortly be reconsidered with the care which its importance merits."—*June* 20, 1873.

THE DECISION STILL DEFERRED SIX MONTHS LATER.

II.—Though our correspondent at Agra finds so much to tell, he still declares that there is no news—that the members of the Indian Government are not so much unwilling to explain their policy regarding the current questions of the day, as they really have no policy to be explained. Other correspondents, private and public, strive to confirm the impression that the silence which reigns regarding internal Indian affairs is explained by this know-nothing but do-much mood of the Viceroy and his colleagues. So far as regards the task of grappling with the exigency which has arisen in Bengal, and that of wisely economising expenditure so as to secure spare funds for that purpose, no attitude of a British Indian Government could be more laudable. Still, as we know, there are various unsettled questions, on the issue of which much preventible outlay must be incurred or appreciable saving may be effected; therefore some curiosity to know how these matters stand in the minds of the strong silent men who sway the destinies of Ind is both natural and justifiable. It is not only in India that the oracles are dumb; but, if such a degree of comparison could be imagined—they are still more dumb at Westminster. We observe that the *Overland Mail* to hand at the moment of writing, remarks "the India Office is so tranquil—its members of Council and head and chief so mildly quiescent and submissive to the golden rule for incapables, 'let it alone'—that it is more than possible the fact that there is a Secretary of State for India and a well-paid Council may go clean out of mind." Now we usually consider that the three words quoted do form a golden rule for the conduct of most Indian affairs; but even fine gold requires a little alloy in order to fit it for the wear and tear of daily use. It is good that our rulers be neither fussy nor anxious overmuch; but grave peril arises ofttimes from allowing things—to drift. And, as the Indian taxpayer with dismay and anger will find out some day, they are now being allowed to drift into financial deficit caused by "non-effective charges"—charges which, as we have been pointing out for the last half-dozen years, might have been enormously, and yet may be appreciably reduced. There can be no merit in "letting alone" here; and to "let alone" a growing but manageable peril of this kind is truly the policy of "incapables." Who then is to blame?

We cannot consider Lord Northbrook and his colleagues "incapables;" so we must move westward in quest of these obstructives, and expect to find them in the neighbourhood of Westminster. Even there, we believe, these costly "let alone" men are in a minority; but they are powerful, and it is high time the Indian taxpayer knew who or what they are, and how they could be removed to some sphere where they can afflict India no more. . . . . .

It will be observed that the *Home News* avers the Secretary of State has "called for an actuarial valuation of the prospective right to Colonels' allowance, with a view to a new retiring scheme for the Indian Army." This, as our readers will remember, is the first step in the course that we have steadily pointed out, as the one which, while being fair to the officers because depending on voluntary acceptance by them, will afford the most natural and effectual method of relief to the State and the taxpayer. . . . . .

The "nominal £1 per day" refers to the sweet boon granted under that silly, ineffectual Order of August last year. The quotation in which that occurs brings into prominence the hardship inflicted on the officers by the ineffably stupid refusal of the authorities to commute their claims. We trust due weight will be given to the personal bearing of the question; but as an argument we have done with it. The prospective suffering of the Indian taxpayer and the impending strain on the Indian finances, are considerations that demand and will soon compel attention. We ask, where is this actuarial estimate—what is being done with it—and who are the obstructives responsible for its not being put to use? Again; was the telegram from the Viceroy, by which Mr. Grant Duff was enabled to defeat the Hon. Mr. Burke's motion, the spontaneous

act of Lord Northbrook? We do not believe it was. And if his Excellency were but a consenting party to the device, he thereby incurred a grave personal responsibility which he has as yet done nothing to vindicate. Minutes in secret Council are all very well—for historical purposes; but this question, of how Sir Charles Wood's acceptances are to be met, is a public one, and the public have been kept in the dark about it too long.* —*Nov.* 25, 1873.

THE DEBATE ON THE INDIAN BUDGET, 1873-74.

THE young men who drew up the telegram about the Indian Budget in Parliament, have contrived to wash out any special interest which the speeches of Mr. Grant Duff and Mr. Fawcett may be supposed to have contained. . . . Perhaps Mr. Grant Duff has been trying to say something smart, and considers that in promising to apply the Income-tax blister again whenever a financial exigency may arise, he has sufficiently proved the "elasticity" of his financial conscience, if not of the Indian taxpayer's capacity to pay. For the rest, it would appear that the Under Secretary has been vague as the telegram itself. Of what use are such platitudes "as looking hopefully towards the possibility of further military reduction," when not a word is said about—the Colonels' allowances or any intention to compromise them; the relief system; the Horse Guards and Admiralty pressure for patronage and free spending of Indian revenues? No; our Whig Secretary of State and Whig-Radical Under Secretary of State care for none of these things; but it was necessary to break the force of Mr. Fawcett's coming speech by optimist generalities of some kind. Again, is it not treating both the House of Commons and the Indian public like children, to talk about "the intention of Lord Northbrook to grapple with several questions of taxation," without giving some indication of the fiscal principle on which his Excellency is expected to proceed in course of this "grappling" business. . . . . .

But when Mr. Fawcett would "suppress local Presidencies" and map out all India into a rectangular pattern, like a chess-board, making the whole Peninsula subject to the central power of Calcutta or Simla—counsel exactly the reverse given with so much force and pertinence by Mr. Bright in 1853—we see how fatally crude are some of the member for Brighton's Indian politics. The sole recuperative policy which he is represented as advocating on this occasion, is the more extensive employment of the people of India in the administration of their own country. This, rightly understood, is a principle large enough for any one man to vindicate and work through. The longer we contemplate the anomalies and difficulties, and, also, the high possibilities of Indian government, the more we are convinced that our profitable and satisfactory rule in this country depends, in far greater proportion than has ever been admitted, on the cordial alliance of the people with us in the work of Government. Of course there are great difficulties in the way, some of which arise with the natives of India themselves. We can appreciate these difficulties infinitely better than can Mr. Fawcett or any stay-at-home politician; but those obstacles must be overcome, and that too, ere many years roll by, if our rule in India is to become an assured, settled, and expanding success.—*August* 4, 1873.

HENRY FAWCETT AND HIS COADJUTORS.

II.—The report of the continued Grant-Duff-Fawcett debate on the condition of India question presents in many respects a more interesting, because more varied and discriminate series of opinions and statements regarding our state and prospects than those put before the House on the opening night. The speeches by the members for Elgin and Brighton on that occasion might be taken to represent, respectively, the optimist and pessimist

* The above extract serves to mark the final struggles of the India Office obstructive "experts" before yielding to the necessity—as demonstrated in former articles—of buying off or compromising the equitable claims of superfluous Indian colonels who had been prematurely forced into that "non-effective" position mainly by the supersession of the Company's Local European Army, and the so-called Amalgamation Scheme of which Sir Charles Wood, as Indian Secretary of the period, was ostensibly the author; hence the closing allusion. In course of 1874 the commutation plan was at last sanctioned, though, at first, in a grudging spirit. It was afterwards expanded more liberally, and in Sir William Muir's Budget for 1875-6 he thus remarked on it: "This important measure, which, besides adding to the efficiency of the Army, will be in itself a future financial advantage." But no financier took the trouble to cast up the amount of wholly wasted expenditure incurred during nearly ten years of the India Office's obstructive delay.

view of Indian finance. It is probable, indeed, plainly to be inferred from Mr. Fawcett's remarks in winding up the whole debate on the third night, that he would not like us to accept his great "denunciatory" oration as the final and complete description of British India, its ways and means, its prospects and possibilities. No doubt the member for Brighton could delineate the sunlight part of the picture if he chose. Here we find ourselves unconsciously adopting the rather happy remark made by Sir David Wedderburn in the debate, when he said, that though there was a wide difference of style in the limning of the artist from Elgin and the one from Brighton, yet the two pictures may be taken to represent a truthful whole. And we dare say Mr. Fawcett would bear with considerable equanimity the various admonitions against exaggeration that were handed to him during the the debate—not only in the fraternal and patronising manner of Mr. Ayrton, but by the appreciative member for King's Lynn, and in the slightly ruffled tone of Mr. Denison and Sir C. Wingfield. No public man who has a great cause at heart, who sets himself to awaken apathy and disturb official complacency can afford to "live in decencies for ever." And that was a manful remark of Sir George Balfour, when he said that though he objected to the amendment he should, if the House divided, go out with the minority if but "to mark his sense of the good service the honourable member for Brighton had done for India."

Yet it is refreshing to turn to these second and third nights of the debate when the voice of reflection was heard, and that strong good sense prevailed which is so characteristic of the House of Commons in its best work-day humour. Mr. McCullagh Torrens is reckoned as a somewhat extreme man, and has published a political work on India, in which some very strong things are said. But few speeches of the kind could be better than the concise and carefully considered address in which he made good use of his right of re-opening the debate. He made a very good point in reminding the House that "when India could not pay her way, England could never fall back under a plea of limited liability." He thus—in accepting the general opinion that, at present, India has no financial reserve—showed plainly that Indian finance is a British taxpayer's question. . . . . .

We are glad to see the yet new member for Aberdeen, Mr. Fairley Leith, appear in this debate. His remarks appear to have been generally in accord with the present constitution of Indian administration, and he thinks, as a set-off to exciting speeches, that the people of this country should be thoroughly informed of what English rule has done for them. But the eminent counsel also perceives "a fly in the ointment" even "the iniquitous operation of the Stamp Act as affecting the administration of justice in India." Although, from sheer hopelessness, we have of late said little about this abuse, it is one that only becomes more aggravated by retention, and we are glad to have the member for Aberdeen on our side in denouncing these impediments to justice. It was rather curious that Mr. Leith should be moved to defend the opium revenue; but this remark appears to have been the only one uttered in reply to the phillipic uttered on the previous evening by Sir Wilfred Lawson, against the "bloody and brutal" opium traffic. Our old acquaintance, the Gunnesh Khind ghost, once more appeared, and made a great figure towards the close of the debate when Mr. Fawcett again recited the thundering figures; and, then, being sorry to press unjustly on Sir Bartle Frere, intimated that Sir Seymour Fitzgerald should bear a part of the responsibility seeing that he had spent £20,000 for "furniture," making a total of £175,000 for the "country house" of a "local" Governor. The partial explanation of the excess over estimate which we gave a couple of months back, does not appear to have emerged yet at Westminster. . . . . .

We are inclined to think that the results of the income-tax comparison is near the the mark—namely, that England in proportion to population is fifty-six times richer than India. But leaving the statistician to settle these vast calculations, any wayfaring man can corroborate Mr. Fawcett's broad assertion that nine-tenths of the people of this country are so poor—or, to be safe, let us use the term impecunious—that the smallest addition to pecuniary taxation takes away something "from what to them is an absolute necessary of life." In concluding our present notice of these interesting debates we may recall the emphatic manner in which both the Civilian speakers raised the question—to use Mr. Denison's words—"Is it politic to close the avenues of employment in the public service so that a native of the country, however deserving, cannot rise beyond a position of inferiority to his European colleagues?" This is a question, the answer to which is not obscure.—

Sept. 1, 1873.

ENGLAND AND THE INDIAN DEBT.

Imperial Guarantee Required.

AMONGST the big financial questions between the British Chancellor of the Exchequer and the Indian Finance Minister which must come to the front within a very few years, is that of England guaranteeing the Indian debt. When fiscal and financial discussions have arisen, the Press of India has seemed to evade this subject, possibly from a feeling that it is hopeless to expect that so economical and equitable a measure can ever be passed; but we are not so sure of this. When the facts are fairly looked at, and when the public mind at home shall be so far educated up to the level of dealing with imperial Indian questions as to perceive the heavy pecuniary and financial obligation which, in equity, England owes to India, the case in favour of the British Government guaranteeing the Indian debt, will be seen to be irresistible. Much discussion, and perhaps the pinch of financial difficulty, may be needed before the right course is taken in this matter; but, when the time shall be ripe for it, the High Court of Parliament may be trusted to deal righteously between the British and the Indian taxpayer. Meantime, it is well to cite any illustration, though imperfect, of the effect that would be produced on Indian Government stocks by an imperial guarantee being conferred on them. . . . . .

By the same mail which brings the prices of the 4 per cent. Canadian loan with an imperial guarantee, the quotations for Indian 4 per cent. stock are 101¾ to 102¼, or, say, 102. The Canadian loan has been contracted for at something over 103, but as will be seen some tenders were sent in as high as 106, a price which the stock will, doubtless, reach very speedily, as it is already touching 105 in the open market. But take the difference between the two—the Canadians taken to the motherly bosom of Britannia and the Indians left to the cold comfort of the Secretary of State—as only 2 per cent., what does that represent? Taking the total amount of Indian debt in 1872 (and this is omitting old East India Stock just approaching extinction) at £112,314,000, that 2 per cent. represents nearly £2,250,000 that might at once be lifted off the capital amount of our national debt and a continuous reduction of at least £1,000,000 in the total annual charge which for 1872 stood at £5,336,329; and this is leaving the £100,000,000 of railway debt out of question. We need not expatiate on the boon which would be conferred on India—the the mischievous custom's duties, or the fretting taxes repealed, the roads made, and tramways laid, the canals and reservoirs constructed—if but this act of imperial grace were accomplished; but we ask our readers to bear the thought in mind, and as occasion arises work towards this grand step in Indian financial progress. We are quite aware of the objections which will be urged against it in England—the hard selfish maxims against accepting liabilities other than those forced upon us; the growl of the ignorant, "What has India done for us?" the settled and accepted principle of "everything from India, nothing to her;" as well as the protest of dull, short-sighted prudence against so largely increasing the formal obligations of the central exchequer—but all these obstacles will give way before steady investigation and respectful persistent remonstrance. Statesmen like the present Earl of Derby, Mr. Bright, and others who could be named, have long since foreseen and discounted the acceptance of Indian obligations by the Imperial Exchequer; financiers and the large class of investors have long been accustomed to count upon that endorsement as a reversionary interest; and it only remains for the proposal to run the gauntlet of party politics and popular prejudice. . . . India, in all financial matters, is so accustomed to be regarded as the step-daughter of the Mother Country, ever stern to her; has become so inured to sustain the part of Cinderella in the Imperial household, that she can bear to wait a little longer. Yet, it must be confessed, time begins to press. She has so long had to bear alone the whole burden of maintaining the connexion between England and herself that it is high time someone intervened with effect. It is hopeless to expect this from a dependent like the Finance Minister; but suppose Lord Northbrook should work out this problem and declare at last that England should sustain her fair share of Anglo-Indian expenditure? Here is a fine opportunity in store for his lordship.—*Oct. 23, 1873.*

THE LEAKAGE OF INDIAN CAPITAL.

OUR reports of the closing days of the Finance Committee's sittings serve to bring out many points of deep importance to the material interests of India, which are well

worthy the attention of revenue men and other officers who occasionally bestow a thought on public affairs, other than those which come within their own routine. We do not now refer to the several interesting or portentous questions connected with the "progress" of our military expenditure and the extra cost of the modern army system, as brought out in the admirably stated testimony of Mr. W. G. Kellner and Colonel Allen Johnson. The attention that might have been accorded to their evidence has, for the present, been carried off by the report on the great Staff Corps and Bonus debate following the motion of the member for King's Lynn. We have already dealt with that, and there will be time enough to take up the different moot points which crop up in the evidence of the Military Controller. . . .

Just now we have in view, more particularly, some of those references to unsatisfactory circumstances in the condition of the people, and symptoms of a want of elasticity in the material resources of this country, which, if substantiated, claim the serious attention of every thoughtful man interested in the welfare of India, and desirous of perpetuating her connexion with England. As an instance of the vague, but always exaggerated notions that prevail as to the fabulous wealth of India, we may refer to the two or three queries interjected by Mr. R. N. Fowler, the banker. He said to Mr. Dadabhoy Nowrojee—"There is a great deal of wealth in a few hands (in India) is there not; there are a great number of very rich people?" Then, again, "There are a number of natives of enormous wealth—I am speaking of merchants in the large towns." To this Mr. Dadabhoy replied that he could not think of one man in Bombay—"where," he added "you may, perhaps, expect to find the wealthiest men"—who is worth £1,000,000. In all Bombay, we may remark, the Income-tax assessor, a very careful officer, only returns (21) *twenty-one* persons as possessing an income of one lakh (£10,000) and upwards per annum; and only 572 persons with incomes under that sum and down to £1,000 a year. The witness went on to state, as his well-considered opinion, that the number of very rich men in India is diminishing. He also gave an affirmative reply to Mr. Lyttleton who, in a previous passage had put to him the query—"In fact you consider that the material prosperity and happiness of India is diminishing year by year?" In other parts of his examination the witness seemed disposed to exempt certain Native States from this general description of declension; but in doing so, this would only be consistent with his opinion as to the cause of diminishing wealth. In Native States very nearly the whole of the revenues, except what tribute they may pay to the Government of India, are retained and spent within the State themselves. In British India, on the contrary, certain proportion of the revenue is necessarily transferred to Europe, thus checking the accumulation of capital here; and this is the chief cause, as the witness considers, of the decline of wealth and scarcity of capital in this country. . . .

It is this general, underlying cause—this leakage—which, somehow, our ordinary State carpenters cannot get at, that baffles all our financial calculations, disconcerts our settlement officers, rendering their assessments thrice as heavy as the figures make appear, and loads with an intangible but very real force all our fiscal devices, be they never so cunningly arranged. But, though this overweight with which India is handicapped in the race of the nations, is not easily traceable in our revenue returns and statistics of taxation, it comes up with startling distinctness in the great commercial account between India and the rest of the world. Here it appears in the total sums taken from the Trade and Navigation Returns of the last three years:—

TWELVE MONTHS ENDING 31ST MARCH.

	1870-71.	1871-72.	1872-73.
Merchandise Imported	33,41,39,058	31,08,37,474	31,26,05,751
Treasure do.	5,44,48,231	11,57,38,129	4,55,65,850
Total Imports ... Rs.	38,85,87,289	42,65,75,603	35,81,71,601
Indian Produce Exported ...	53,55,16,812	61,69,72,252	53,44,15,849
Treasure do. ...	2,22,07,646	1,47,60,925	1,29,80,790
Total Exports ... Rs.	55,77,24,458	63,17,33,177	54,73,96,639
India's Commercial Deficit ...	£16,913,717	£20,515,757	£18,922,503
Total Foreign Trade of British India	£94,631,174	£105,830,878	£90,556,824

We need not here go into the particulars of these big items except to point out, in passing, that as some consider our present pecuniary difficulties are somewhat aggravated by a deficient currency, the proximate cause of that deficiency may be observed in the nett import, during last year, of only three and half millions of specie or bullion, as against ten millions in the year before. It is much to be regretted that the Committee deprived itself of the advantage of formally receiving the elaborate statistics and calculations which Mr. Dadabhoy Nowrojee had prepared, in order to bring out the history of prices in Western India during the present generation. These tables—with the exception, possibly, of some of the elaborate statistics zealously cultivated in recent years by revenue officers in the N.W. Provinces—are, we have some reason to believe, more thorough and discriminating than any other ever drawn up in connexion with Indian social questions. There will, however be ample opportunity for them to be published and circulated independently of the Committee.—*August* 28, 1873.

THE "SPECTATOR" AND OUR BLOATED CASH BALANCES.

OFTEN we have had occasion to speak highly of our contemporary, the *Spectator*, because of its pointed remarks and vivid descriptions of Indian affairs, whereby the pleasure and wealth-seeking British public are now and again roused from their political apathy in regard to this country and its fortunes. The *Spectator's* service to India is, however, very frequently outweighed by the extreme tone of its remarks and the bizarre or alarming drift of its often too concise explanations of our affairs. If the home public can only have their attention aroused to India and her concerns by statements which tend to show how futile it is to try to understand us, much less to give us aid in our perplexities, or by assertions which excite nothing but uneasiness and alarm, it would be better for the said public to sleep on unconcerned. Though there will be no immediate injurious results in the instance we have to refer to, the recent little explosion by our London contemporary in regard to the Cash Balances—that is, the ready money in the till of the Indian Government—is a case to which our description applies. This occurred in one of those weekly paragraphs, which, implying secular omniscience on the part of the writer, are intended to impress the half-informed reader with the notion that there is henceforth an end of all controversy on the particular topic so dexterously hit off. We will here premise that the subject has recently been brought before the home public by Colonel Nassau Lees, who drew attention to the hardship inflicted on the Indian taxpayers by keeping excessive and extravagant balances unproductive in the treasury. . . . . .

And now let us move on to examine, in its business aspect, our London contemporary's dashing exposition of the cash balance question. . . . The assumption that we "*must* have four months' expenses in hand" implies, as any home reader would be compelled to suppose, that the Government of India's treasury is replenished only in big lumps three times a year! Then it is intimated that the whole sum of our disbursements—instead of a comparatively small proportion—has to be transported "over all India," an operation requiring a month's time for its performance. What, in the name of common sense, is an English banker or merchant to make of such a bewildering description of a State's every day finance? He can only wonder how the machine goes on at all; and fairly enough, anticipating that a dead-lock at the Indian treasuries must arise at least once every six months, he will advise his clients to steer clear of "enfaced paper" and all other securities which depend on the Indian treasury for punctual payment. Knowing, in a general way, that half the Indian Government's income is derived from land revenue, that loose phrase "the next rental comes in" will serve to confirm his apprehensions. But even in that respect the *Spectator's* statement is misleading, for "the rental" is drawn at different periods in the various presidencies and provinces. Then there are the customs; the enormous excise (including with salt, nearly one-third of the whole revenue), the stamps; assessed taxes; and all miscellaneous income are coming in day by day; then, what is more to the purpose, the bulk of these "takings" are received at the centres where the chief part of the Government's outgoings occur. There is also the opium revenue, which, though regarded as precarious for the future, is, while it lasts, the one big item of our revenue on which we can most certainly depend. Scarcely any political disorder that could arise would prevent the Behar opium chests reaching the mart at Calcutta; and as H. H. Holkar and other Central Indian princes are deeply interested in the returns for the Malwa drug, we might count upon that coming down to Bombay through any mutinous disturbances. But these latter contingencies

pertain more to the extreme political perils at which our home contemporary hints, and the consideration of which we defer for a moment. . . . . .

If, then, during that episode of supreme peril, which, except under some apocalyptic catastrophe, can never again recur in British India, the financial difficulty was met—though the cash balance to begin with was not more than half its present bloated amount, what sense is there in the *Spectator* raising the spectre of "sudden disaster" as an incentive to financial prudence and foresight? Our dangers now are not so much political and military as those which arise from popular discontent and fiscal perplexity. One of the most certainly effectual methods of increasing that irritation and complicating that perplexity would be to withdraw from the people's resources that four or six millions sterling which the *Spectator* demands as a deposit against the mere chance of remote or visionary perils. True this is what Sir Richard Temple has done; it is what the Government of India did under that inspiration of folly which levied a $3\frac{1}{2}$ per cent. income-tax, pressing not so much on the rich as upon the weaker middle classes. We never ceased to denounce that glaring anomaly of a treasury running over, whilst the people were writhing under fiscal pressure and financial difficulty. Our Calcutta correspondent has not failed to trace the disastrous effects on trade of that hoarding of public money, that locking up of funds for want of which the country was and is panting with anxiety and impecuniosity. With a cash balance still ranging over twenty millions sterling, and another in London of three or four—a total of fully eight millions needlessly sequestrated from the country's use—those evil effects still continue, and business languishes in consequence. But, happily, Sir R. Temple's days as Finance Minister are numbered. Lord Northbrook and his Council have already recorded an emphatic condemnation of plethoric cash balances.*—*Oct. 29, 1873.*

CASH BALANCES NOT CURRENCY RESERVES.

IN the London letter signed "J.M.M.," which appears regularly in the columns of a local contemporary, there were, about a fortnight ago, certain remarks on the old topic of the superfluous cash balances. We afterwards dealt with that subject on other grounds, and did not care to notice a rather notable mistake fallen into by "J.M.M.," the more so because the remark in question was only incidental, and not essential to his argument. But as something like a similar misapprehension crops up in the *Indian Observer's* London letter; and as the confusion between treasury cash balances and currency reserves—for this is where the misconception arises—may be more general than we had supposed, it will be well to make the matter plain. . . . "J.M.M.," thus commits himself to what we are compelled to suppose is a general popular misapprehension on this subject—". . . prudence requires that a military despotism should always have its military chest well filled. Besides, the note circulation of the Government of India increased from 4,500,000 in 1853 to 11,500,000 in 1872, and a much *larger reserve* is now, of course, necessary in *this department.*" The odd misapprehension—which we have indicated by italics—is the same in both cases, and it is easily cleared up; though we are rather surprised to find any journalist needing the correction. . . . . .

Let us, then, put the matter plainly; the 20,000,000 cash balances of the Government treasuries are one sum, and the 10,500,000 of the currency reserves form quite another. Moreover, the two sums are kept wholly separate, and are never mingled together by any chance. The cash balances are always kept at the treasuries, including the three presidency banks; and the currency reserves are kept at the several offices of note issue. This distinctly different location of these two large funds is, indeed, apparent from the returns of both, which appear monthly in our columns, but at different dates for each. Surely this is plain enough for the meanest capacity. Lest it should be supposed that the currency reserves could be indented upon in any financial or other emergency, we would refer to Act III. of 1871 which would have to be flagrantly violated by the Executive before the currency reserves could be touched. In one remote and constructive sense there is a possible connexion between the two funds; but this is all in favour of the inviolability of the currency note. We refer to the fact that over and above the palpable and direct security provided by the coin, bullion, and Government paper reserves—the total of which exactly tallies with the 12,000,000 or so of notes in circulation—the general credit of the Indian Empire

* For elucidation of above, see foot-note on page 325.

is pledged for the satisfaction and discharge of the currency note. It would be superfluous to amplify this explanation; and we need not here go back to show how needlessly "J.M.M." weakened his own contention by falling into the mistake of writing as if the currency reserves were part of, and included in the cash balances of the Indian Treasury.

Neither is it here desirable to go into the subject of the present Finance Minister's confused notions of currency and banking, in accordance with which the clumsy and unbusinesslike scheme was enacted whereby it was deliberately contrived to make the paper currency subservient to merchants' and bankers' remittance operations. If we were under a parliamentary system our central bureau of Finance would long since have been called upon for a circumstantial report of the transactions which have resulted from that muddling of currency and banking. From what little has transpired in connexion with it, we have reason to believe that such a report would present a striking exposure of blundering by our lavishly paid amateur financiers of Simla.—*Nov.* 11, 1873.

INDIAN COTTON MILLS AND PROTECTIVE DUTIES.

WE were glad to see "A Merchant" coming forward in our columns yesterday to set himself and his fellows right in the public eye with regard to the position taken up in the Chamber on the piece-goods duty question. He says that it is a "perversion of truth" to speak of the movement as one for the abolition of a "protective duty." He disclaims, on behalf of the British mercantile community in Bombay, any desire to "discourage local industry," but he does say they ask that local manufacture "shall not be encouraged artificially." So far, there is no doubt an almost universal agreement; though, as we at first pointed out, there is something to be said on behalf of nursing local, domestic, or rising industries. "A Merchant" having repudiated any feeling of class selfishness, and, on the other hand, having put far from him any affectation of philanthropic solicitude on behalf of consumers—that is the India millions who, as yet, refuse to wear shirts—goes on to accept and vindicate the "interested" motives imputed to those who have moved in the matter, He says, and very justly, that the circumstance of their being interested should not prevent them from bringing forward the proposal to abolish the import duty on yarns and calicoes; and that if they can show good reasons for that course, neither the State nor anyone else has any right to take exception to these motives. It is high time something of this kind was said. The ever-recurring imputation of selfishness demoralises both those who bandy it about, and those at whom it is hurled. The world's business neither in politics or trade would ever get transacted, if those who "feel the pinch," and those who see some advantage to their class, party, city, or State, were to hold back until saints and philosophers raised their voices, and entered into affairs solely on pure and disinterested principles.

The ground now being cleared, how stand the matters of fact that have to be considered? . . . It appears that in spite of indifferent management, and great inexperience in all that relates to machinery and the organisation of establishments, these large concerns yield a profit to somebody, which much exceeds all that can be put to the account of import duty. Messrs. W. Nicol & Co., in the long and all but exhaustive letter forwarded to the Chamber at its meeting the other day, showed that it is by no means certain that the local manufacturers do reap such an advantage from the import duties as is represented by the percentage of "bolstering up" provided by the tariff rates. "A Merchant" does not directly meet the contention of that letter; but he dissents from its conclusions, apparently on *a priori* grounds, and not because of his having instituted any closer investigation into facts. Putting aside that letter altogether, we may state that on this branch of the subject we have arrived at similar conclusions by a different method of observation. The logical difficulty pointed out by "A Merchant" in his closing para. may be met, without any "ingenious argument," and in this way—suppose it turns out that the description of yarn and coarser cotton cloth manufactured in Western India is not protected at all; or, rather, that the small percentage of protection it has enjoyed has already done for the industry all that which some indulgent economists think it may fairly claim. At any rate this is what we find to be the state of the case at present. . . . . .

It will be asked, how then does this fact comport with the large imports of Lancashire cotton goods which yet pour into India? We must dismiss from the argument, though no one can overlook the proportion of these imports which is due to reckless shippers who, whenever the money market is easy, purchase and export "grey goods" for India to the

full extent of their credit. It is with legitimate and profitable trade we have to deal in this connexion; and on due examination it will be found that ninety per cent. of the English yarns and piece goods now imported into India, at Bombay, and the three other large ports, consist of qualities not attempted by the Native spinning mills. Thus barely ten per cent., perhaps, strictly speaking, little more than five per cent., of our manufactured cotton imports come under the restriction of the "protective" duty. Thus it will be seen that Messrs. Wallace & Co. moved the Chamber to little purpose—namely, for relief on behalf of less than a tenth part of our present imports of cotton manufactures. Probably even this small quantity of duty-paid low yarns and common calicoes may have sufficient influence on the market rate to slightly raise the price of the Indian made goods; but even this is doubtful. This statement of the facts of the case, while it shows that the movement in the Chamber proceeded on an erroneous basis, and was scarcely worth while spending its force upon, also allows us to see that the fiscal difficulty is trivial, and that the duty on 24s or 28s yarns, and the cloth made therefrom, might be remitted without any appreciable loss to the revenue. . . . . .

The removal of the slight bonus now gained by the Indian mills from "protection" will probably afford just the stimulus that is needed to induce the managers and shareholders to seek that special aid from engineers and skilled English artisans for want of which they miss so much and lose so much at present. As to the suggestion recently made to the effect that Lancashire or Glasgow spinners and weavers might find it a great success to transfer their capital, machinery, and establishments to India, it is at first sight a very taking one. But judging from analagous experiments in the past it would scarcely answer in the long run. Here the financial advantages and local knowledge both of the buying and selling market would be on the side of the Native mill-owners; while, as we have just suggested, English skill and knowledge of practical mechanics could be obtained for the Native mills by fair rates of payment.—*Dec.* 5, 1873.

THE OPIUM REVENUE—ENGLAND'S RESPONSIBILITY.

AND so some public-spirited philanthropically-minded gentlemen wish once more to have the iniquities of the Indo-Chinese opium traffic investigated and held up to the execration of the civilised world. At least this is what we take to be the direction in which those who offer prizes for essays on "The British Opium Policy and Its Results to India and China" expect and desire the essayists to arrive at their "conclusions." From a politico-financial and controversial point of view it is at once important to note that these competitive essays will be judged, not only—perhaps we should say not so much —"by literary merit" or "the value of the information conveyed," as by "the conclusions arrived at." Perhaps, however, we should not lay undue stress on this indication of bias and pre-judgment in the intention of the generous prize-givers when attention is drawn to the names of the adjudicators—Sir C. Trevelyan, Sir Bartle Frere, and Sir Louis Mallet. Of the two former their position in the opium question is, that while they would be glad to see the same amount of revenue raised in a less objectionable manner, neither of them, as practical Indian administrator, has seen his way to provide a substitute, or made any any special exertions to find an equivalent for the £6,000,000 or £7,000,000 now derived from that source. As to the "commercial" and non-Indian member of the Indian Council, nothing is known of his attitude towards the "opium policy;" so that altogether the adjudicators may be regarded as non-committed, and certainly not bound over to the ultra-philanthropic or "iniquitous" view of the matter. . . . . .

It does not appear that any further guidance as to the scope of the essay will be afforded than is comprised in the sentence or title already quoted from the advertisement. It is, in fact, comprehensive enough—with one important exception. And here let intending competitors understand that we are about to let them into a secret, the appreciation of which, if they otherwise know how to handle their subject, will enable them to win the prize and considerable political reputation into the bargain. Therefore, let opium essayists prepend. It will be observed that the specification speaks only of "results to India and China." What about the results to England? That is, what results to England and the British taxpayer would follow from the abandonment of the opium revenue—for it is idle to conceal that the sacrifice of this extraneous source of Indian revenue is contemplated in the "conclusions" already aimed at by those who offer these prizes.

Perhaps it is not obvious at first sight that such abandonment would affect English taxation and finance; and we imagine this "result" has not been taken account of by those represented by Mr. J. W. Pease in the advertisement before us. Nevertheless, those essayists who do not fairly face this contingency—the introduction of a disturbing element in British domestic finance—will leave the opium policy where they found it, and may as well spare their pains. Those who understand the position of the controversy will admit this affirmation.* We need not, therefore, anticipate the course of argument which will be taken by the writers who may come fresh to the subject between now and next May, nor look back over the well-beaten path trodden by so many capable men from St. George Tucker in early times to Sir William Muir and Sir Rutherford Alcock of the present day. None of these writers, so far as we can make out, have suggested any substitute which comes near to offering a revenue that would fill the gap caused by the withdrawal of £6,000,000 or £7,000,000 derived from opium, and now paid by the Chinese. . . . . .

It is hopeless to ask what inland revenue could be substituted for the subsidy now voluntarily paid us by the Chinese. Tobacco-tax, marriage-tax, and additional succession duties, could altogether only amount to a bagatelle compared with our opium revenue. And, besides, it is no use our concealing the grim truth—unpleasant and hard to understand though it be—that the people cannot afford to pay more taxation to any appreciable extent. What then remains? Simply this; that if the opium revenue is abandoned, England must contribute a handsome sum annually—say, from £2,000,000 to £5,000,000—towards the current expenditure of the Indian Government. To this complexion we must come at last, either because of the gradual pressure of financial difficulty and social embarrassment—caused by the ever-growing depletion by the Secretary of State's drafts, or by reason of the growing sense at home of political justice and a perception of the financial obligations under which England lies towards India. If the opium revenue should be abandoned at the bidding of the "moral sense" of England, that result will come at once, instead of gradually, and he who writes the prize easy on the "opium policy" must be prepared to say how far England is willing to pay in order to back that "moral sense."—*Dec.* 9, 1873.

England's Debt to India for Opium Wars.

II.—Two sentences below we cut from a recent article in the local *Gazette*, intending to remark on them at the time. The first is quite true; the second quite otherwise, and all the more misleading because the saddling of India with charges on account of China wars is so flagrantly unjust as compared with the course correctly stated with respect to Colonial wars:—

> Wars are waged by imperial troops in the interest of particular colonies and the expense is generally borne entirely or in a great part by the mother country, even in cases where the interests of England have only been indirectly involved.
>
> * * * The war with China, which arose out of India's lucrative opium traffic in 1840, was distinctly an Indian war, but none of the charge was borne by this country.

It will be sufficient, for the present, to quote as against this mistaken statement the following general and emphatic denial of it, which we take from a well-known essay on the subject:—

> It is not true that England contributed one moiety towards the cost of the Persian war, or the first or second China war. In the last thirty years, she has prosecuted in Asia, beyond the confines of India, five or six great wars for imperial purposes (I refer to the China wars, the last Burmah war, the war in Afghanistan, and the Persian war) and in all these cases she has cast upon India almost the whole burden of them.

The aggregate amount of these extra-Indian charges thus iniquitously thrust on the finances and people of this country is something enormous. Without rummaging for a week amongst old blue-books and finance accounts, it is impossible to give the total figures; but they are on record, and when the British people shall be fairly roused to do justice to India they must form the basis of a big bill for compensation which might stagger an actuary. In this chance of future compensation for Indian revenues improperly expended under orders of "the Crown," lies one of the hopes of India, and we do not think it is quite a forlorn

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* It is only fair to mention that the competitor who obtained the prize, the Rev. Storrs Turner, did fairly consider the ultimate responsibility of England to India in case of direct legislative suppression of the Indian revenue from opium. How far he met the difficulty remains a matter of opinion.

hope. There was in "the lucrative opium traffic" a colourable pretext for saddling India with part of the cost of China wars; but in order to affix financial responsibility for these charges it is needful to trace how the wars originated and at whose instance they were promoted? It will be found, we believe, that India's "lucrative opium traffic" had far less to do with these China wars, than had the mercantile profits of immensely powerful London firms—also interested largely in tea, silk, and Lancashire piece-goods—whose behests it was that the Whig Governments of the day obeyed when they bombarded Canton and laid the forces of the Indian Government under requisition. It is always very necessary to distinguish between the private profits of the opium trade, and the national advantage derived by India from her natural monopoly of the drug. It is quite comprehensible—though we do not assume such is the fact—that the massacres and bombardments undertaken in the interests of London-China merchants may have rendered the natural demand for opium by the Chinese more precarious than it would have been without all that high-handed violence by the British Government. And, in any case, that England should have thrown nearly the whole cost of China wars on India is a scandal and a wrong.—*May* 22, 1880.*

THE PIT INTO WHICH INDIA IS DRIFTING.

THE topics comprised under the subjects purporting to be inquired into by the parliamentary committee on Indian Public Works Finance are of immense importance to this country, and, proportionately, to England itself. These are no mere questions of administrative detail; though numerous minor topics of that kind lie all around and beneath the great subjects with which the committee has been dallying. It is not too much to say, that India's future hangs on the right determination of the large financial issues, arising out of, or underlying the subjects properly comprised within the purview of the Committee's inquiry. The object of the India Office, in securing its own chairman and carefully making the most of its departmental witnesses, was evidently that of securing extraneous confirmation of certain of its own foregone conclusions, which, we submit, have never been subjected to any adequate and free discussion. These are, briefly, (1) India must be kept out of the European money market if possible; (2) India shall construct her public works out of revenue as far as possible—or go without; (3) the sentimental superstition that great political advantage will arise from inducing natives of India to invest more largely in Government loans; (4) that there is greater tendency to extravagance on the part of Indian administrators than with those who control India's affairs at home. However fantastic these "idols of the den"—that is of the India Office departments—may seem to us who look at them from this side of the water, it must be remembered that they form very impressive "properties" in the Committee room. When a past Under-Secretary is in the chair, and introduces the grey-bearded departmental chief as "one who knows more of Indian finance than any man alive," it would require exceptional moral courage for any mere committee man to hint a doubt as to the overpowering wisdom comprised in the prearranged catechism repeated between the two. Just let any of our readers refer for a moment to that string of elaborate questions to which Sir Thomas Seccombe merely replies with the monotonous monosyllable "yes"; and they will see, that, instead of affording any serious opportunity for investigation, the performance was a solemn farce. Not one of the committee dared interrupt the flow of complacent wisdom drawn from the inner recesses of the India Office.

Now let us fasten attention on the four propositions we have formulated as expressing the present narrow, grudging, short-sighted creed of the India Office in matters of practical finance. Take our 1 and 3—the demand that India shall be compelled, if possible, to find all her public loan funds within her own borders. This demand applies alike to loans for public works, for famines, and for debt incurred in wicked waste of the country's resources in aggressive wars, like the present and past Afghan invasion, or other preventible unproductive expenditure. Of course, compliance with that demand is not possible—except to a considerable extent in the direction where this grudging is most pernicious, that of checking outlay on productive public works. The only solid portion of fact amidst the bushel of India Office opinion is the statement of debt incurred for all purposes during the last six years—that is, since, and including 1873-4. The total comes to £27,000,000,

* This and remaining extracts are from the *Bombay Review*.

of which the Chairman was careful to mention that £14,000,000 has been "disbursement of famine expenditure." Of that total sum £16½ millions were taken up in England and nearly £11,000,000 in India. Besides this absolute nett addition to debt, a sum of £4,500,000 was taken up at home and applied to an equivalent redemption of East India Railway interest on capital stock. This was a sensible business proceeding; and, if we took time to trace its influence on exchange and the current ways and means of the India Office Treasury, would go far to confirm the principle for which we contend. No further indication is given of the purposes to which the £27,000,000 or rather the £13,000,000 were applied during the six years in question.

In the absence of other current and earlier continuous statistics relating to debt incurred, specifying how much taken up in Europe and India, to the amount of Council Bills, to the corresponding rates of exchange, to the imports of treasure into India and two or three other essential factors, we will proceed—quoting authority so far as is practicable—to state the more telling considerations which stand opposed to the India Office financial creed. The reasons that render it desirable for India to borrow, instead of taxing and consuming her current resources, and which compel her, as Sir Thomas Seccombe unwillingly confesses, to borrow in England, are reasons that arise out of the conditions of India's relation to England and her dependence on the most powerful and most wealthy nation of the earth. So long as these relations continue India must render tribute to the master country—not in the gross way that Rome levied tribute on her eastern provinces, but just as inexorably by dint of monetary and financial facts.

Now first as to the effect of this tribute, this obligatory transfer of a considerable portion of India's industrial and commercial revenues. The effect of this state of things (though without any specific reference to India) was clearly described, and with remarkable prescience, in J. S. Mill's chapter "on the Distribution of the Precious Metals." Following that synthetical statement, Mr. Walter Bagehot, with the experience of India in recent years before him, thus in his skilful articles "on the Depreciation of Silver" makes practical application of the principles concerned :—

> The effects of the imposition of a tribute on the industry of a dependent country are two; first, to drive away all cosmopolitan capital, which can carry on its business elsewhere. It takes for the use of the Government a certain portion of what used to be the profit of the capitalist, and if in any other country capital does not pay an equal tax, that large class of capitalists who now belong to all countries will go to some other, and will carry on their business there. And secondly, the residential capitalists, whom no motive will tempt away, must be content with a less rate of profit than they used to receive. Particular industries, for which the dependent country has special advantages, will to some extent be an exception; but, as a rule, the effect of the augmented tribute will be to lower prices, because as a rule, and for almost all commodities, it will fix profits on a lower range. A country which has a tribute to pay of £15,000,000 annually, must send abroad annually £15,000,000 worth of commodities more than she receives; the profits of her various industries must be less by that £15,000,000; prices must be lessened to effect this; and (supposing, as is the case with India, that this country does not produce the precious metals) prices will be thus lessened by a corresponding reduction in the import of those metals. Thus, in the case of India, the effect of her augmented political payments will be to lower the level of prices, till her exports rise above her imports by an equal sum.

We need only ask thoughtful practical men to ponder—not only now, but again and again—the continuous depressing influences implied in the effects indicated, first, on "cosmopolitan capital" (that is, on European firms in India), and second, on "residential capitalists." Then they should follow out what is involved in the phrases—"to lower prices" and "fix profits on a lower range." Does not this view of India's monetary and financial position, which is real as the law of gravitation or any other scientifically settled fact, throw a flood of light on the impecunious condition of this country, the hopeless poverty of its masses, the unprofitable nature of its commerce? But the writer goes on to show that while it might be supposed that prices in the dependent country "would fall and fall indefinitely," there is one condition of adjustment arises which staves off such an unmitigated catastrophe. He says :—

> The dominant country simply takes a portion of the produce of the industry of the dependent, and so far renders it less profitable. The range of prices in the dependent country must necessarily be lowered to effect this end, and for a time the supply of the precious metals to it will be diminished. But upon its permanent import of those metals the imposition of the tribute will have no effect. As soon as the proper range of prices is reached, the bullion trade will go on as usual.

But there arises also another effect from the method in which the tribute of the Home

charges is transferred from India to England—an effect to which, with all his acumen, Mr. Bagehot, we think, failed to give due weight.

Scarcely any writer on economic science who has not followed out this subject in India can realise the force of the effect to which we allude. We refer to the interception by the Secretary of State's draft of the natural flow of silver to India, which forbids that —even when the enforced "lower range of prices" has been reached—"the bullion trade will goes on as usual." As to the manner in which this effect arises it is familiar enough to our commercial readers, though few of them follow it out to its consequences on the industry and internal trade of the country; and few of our officials or native financiers —though in both classes there are men eminently qualified for the purpose—have inclination enough to impel them, or leisure to permit of their following out the subject. For illustration of this remarkable instance of the artificial supersession of the natural flow of the precious metal that should, but does not, replenish India's currency thereby supporting prices, stimulating industry, and sustaining internal trade profits, we must quote from the Report of Mr. Goschen's Silver Committee:* the passages we here give are also used by Mr. Bagehot, though for a somewhat different purpose :—

> The yearly amount payable by India for the disbursements of the Home Government has risen since the Indian Mutiny from £5,000,000 to £15,000,000, a difference of which the magnitude will be appreciated when it is remembered that it is considerably more than half of the total amount of silver annually produced.
>
> That the full effect of this substitution has only been recently felt, as that effect was retarded by the construction of the Indian railways, which involved an expenditure in India of money raised in England, counterbalancing therefore an equal amount of expenditure in England of money raised in India.

Mr. Bagehot goes on to remark that "the effect of an increase of the sum due from the dependency [*e.g.*, the rapid addition to the annual amount of Council Bills, because of railway capital ceasing to be paid in] almost always at first is, and perhaps may permanently continue to be a diminution of the cash [? specie] which the superior country has to transmit. This is one effectual mode of rectifying the balance [or modifying the overbalance]; . . . and it has been so here." So much so that, whereas the annual export of silver from England to India in the four years ending 1872 was about £10,000,000 sterling, in the four years ending 1876 it was barely £4,000,000. The counterpart of this "diminution of cash" for India is shown in the Council Bills, which in the former period had averaged under £7,500,000, in the later period, ending 1876, the average was over £12,500,000. This process of silver being pushed aside by Council drafts—which are mere paper orders to pay, and can have no place like bullion in the facts of import returns—had commenced before the date we have given; and, as every one knows to his sorrow, has been going on with accelerated pace since 1876.

[Here was quoted the passage from Mr. Goschen's Silver Committee Report, the tabulated demonstration that the Council Bills *pro tanto* prevent the flow of silver in India.]

Now let our readers consider, if they can, the force and bearing of the conditions described in our quotations; and then let them weigh against those conditions—which are so bitterly applicable to India at this moment—the shallow, pragmatical, or grudging conclusions of the India Office as summarised under our points one to four.

We have shown that the effect of the tribute or non-commercial compulsory payments from India is to drive away or discourage capital, to lower profits and prices, and to keep the subsistence of the labouring classes (including the ryots) down to the lowest possible point at which body and soul can be kept together. "The profits of her various industries must be less by that £15,000,000; prices must be lessened to effect this," so says the authority; and any competent observers know this is so. There is, indeed, one apparent exception or counter-influence, to which Mr. Bagehot draws attention, that is, the Secretary of State's drafts are, in a certain sense, equivalent to loans during the period of their currency. It is in this way, through the low gold price of silver and unduly favourable rate of exchange on India, that we see the phenomenon of excessive prices for certain of our export commodities. But it will be found that this incidental effect, arising from the Secretary of State's paper money, is of no advantage to the country as a whole. It gives to a few with one hand, but more is taken back from the many with the other. This is a by-way of the subject for students to follow out. What we have to do with here are the broad facts—(*a*) that India's resources are seriously

curtailed by the constant strain of non-commercial payments to the other side of the globe; (*b*) one peculiarly exhausting effect of that drain is that the currency material, which, under normal conditions would flow into India, is dammed out by the Secretary of State's drafts; (*c*) up to 1869 the drain of the tribute and interception of silver by Council Bills had been set off by large payments in England of railway and other public works capital, which had the same effect in permitting the natural flow of treasure to India as have loans taken up in the London market whether to provide for inevitable debt or productive public works; (*d*) but the wiseacres of the India Office, and a few public men outside who ought to know better, are determined that India shall not be spared or relieved in that way; (*e*) under the strain of famine and heavy military expenditure the condition of India would be bad enough, but, under the extra pressure caused by the present short-sighted pedagogical policy of the India Office, the industrial and commercial interest of this country and its people are rapidly going from bad to worse; (*f*) whilst that policy is obstinately cherished by the India Office, and tamely accepted, nay servilely commended by the weak time-serving Government of India, there is no hope or chance of any recuperative movement in Indian affairs.

Now as to the moral of this: we shall have written to little purpose if the application is not clear; but it requires to be thought out, and worked out. And as the Hebrew prophet exclaimed—"Who is sufficient for these things"? We will give, at least, one broad practical precept: note the coincidences of the termination of railway capital payments—the more rapid growth of military and other Home charges—the enormous accession to the volume of our Council drafts—and the consequent large decline in India's imports of treasure. Now we are not amongst those who regard our big railway system as a triumphant success. If we did not think that irrigation and other public works could be made far more productive for the country at large than the guaranteed railways have been, we might hesitate to advocate the prosecution of such works on the great scale. We might hesitate; but, in view of the vast financial and industrial advantages obtained for this country through the raising of railway and other capital in Europe, we should still affirm that in the liberal and rapid application of British capital to productive works in India lies the only chance for our rescue from the pit into which this unfortunate country is now rapidly drifting. —*April 26, 1879.*

II.—Seven days will have been little enough time in which for the weighty considerations embodied in our article of last week to sink into the minds of those who desire to carry out and apply them as essential factors in the present material condition of India. The chief of these may be expressed in two forms—(*a*) when any large portion of the revenues of a country are expended elsewhere (instead of as in countries where the financial system is self-contained, being speedily returned to the people becoming again available for productive purposes) those revenues are in such case dissipated and lost to productive use; or (*b*) the effect of continuous transfer of any such large portion of revenue is to force prices down in the remitting country, to reduce the funds otherwise available for wages or other industrial purposes, and to curtail savings or that accumulation of capital which is essential to improvement and national progress. It was pointed out (1) that the effect of this compulsory transfer of revenue to which India is subject, was, for a considerable period, modified by the payment into the India Office treasury of railway capital, and that similar beneficial modification would accrue from payments in England of loan capital, its equivalent being expended here on other productive public works; (2) that, when because of State exigencies, whether involuntary, as in the case of destructive famines, or wilfully caused by aggressive and costly military operations, it becomes necessary to borrow for the public service, great relief from pressure of the aforesaid compulsory transfer of current revenues is incidentally obtained by such loans being taken up in England and set off in diminution of the inexorable Home charges; (3) and that in presence of the recent extreme "losses by exchange" there is special reason for securing such relief as is possible by either of the above-named methods. Space did not permit last week of our laying much stress on the latter proposition; but it should be sufficiently obvious. The popular fallacy that the increase of Home charges, consequent on the additional interest and cost of remitting it, overbalances the immediate large advantages in diminishing the present abnormally high rate of exchange—gained by taking up funds in England—has been fully met and confuted in a pamphlet advertised on our outside sheet. To that brief essay we may direct any who desire to study the bearing of this important by-way of our great subject.

Referring to our proposition (*a*) above, we find in an article by Mrs. Fawcett, which appeared in *Macmillan's Magazine* in 1872, a passage that may afford us a useful illustration. The writer was considering the industrial effects likely to be induced in France by the enormous loan transaction rendered necessary in order to meet the pitiless demand of the German conquerors. It will be seen that a tolerably close parallel—but from an opposite point of view—may be drawn between the temporary influence on France of that great operation and the permanent effects which India undergoes from that constant transfer of revenues of which we speak. [The quotation and explanation given here will be found, in somewhat different form, at pp. 385-6.]

It must be remembered, that the steadily depleting influence which is affecting this country, is immeasurably greater in volume and force than is the pressure of extra indebtedness on France. Then, too, there is no comparison between India and France as regards efficiency of labour, aid derived from machinery, manufacturing resources, compactness of territory, and facilities of internal communication. Hence the illustrative comparison, that we have taken, by "French leave" from Mrs. Fawcett, is chiefly of service in causing one to marvel how India can stand the overpowering strain so long. There will be time enough to seek out compensatory considerations when the facts of India's handicapped position are realised by her responsible administrators. Few of them, in the present day, have attained to this necessary stand-point—necessary, we mean, for them to clear their minds of the cant of optimism to which, after all, is due nearly every administrative blunder that India is heir to.

Enormous Increase in Army Charges.

III.—Partly by way of contributing to that wholesome process, we propose to deepen any impression the duly authenticated propositions of our last article may have made, by bringing into prominent notice one more familiar consideration. We refer to the enormous proportion of unproductive expenditure that India has to sustain. Professor Fawcett, in his article in the February *Nineteenth Century*, after showing that the nett spendable revenue of British India is only £38,000,000, cites Sir John Strachey as authority for the statement that the military expenditure of India is £17,000,000 a year. In 1877-78 we see the nett total was about £15,500,000; in 1878-79 it was somewhat over £16,000,000, and for the current year the budget estimate is gross £18,250,000 nett about 17⅓ millions—an estimate which is, manifestly, from £1,000,000 to £2,000,000 too low. Mr. Hyndman indeed puts down India's army expenditure at £19,000,000; but we suppose he must be regarded, as Mr. Disraeli did Professor Goldwin Smith, as a "wildman," and useful mainly to beat the big drum for an alarm. But that, if we consider it, is a highly important function, if the discordant sound could only reach our optimists dozing in their fools' paradise. It is highly probable that if every charge arising out of, and compelled by our Military system—not only the loss by exchange on the £4,000,000 odd, but also the barracks and other unproductive public works needful for military purposes—were cast up, the gross total for a series of years would not only reach, but exceed the £19,000,000. However, adopting Professor Fawcett's way of putting it, he points out that the £17,000,000 amount to 45 per cent. of our nearly stationary revenue; while, with the premium on the gold payments needed to meet the military part of the Home charges, the cost of the British Indian army must absorb half our available revenue. To anyone whose course of reading and observation may have enabled him to estimate what figures like these mean, when compared with the factors that concern a nation's welfare, this unproductive consumption of half the country's public income is simply appalling.

But this is only looking at one year; we are apt to forget that these exhausting charges go on from year to year and we fail to realise their total cumulative effect. Also, what is more to practical purpose, we should take note that these huge unproductive charges have increased, are increasing, and will be further increased, unless some vigorous effort is made to check and reduce them. Therefore let us glance back at the rapidly accelerated progress of this devouring branch of Indian expenditure. The following table we have prepared will show the aggregate amount of Army charges on the Indian revenues in the periods mentioned, and also the ever-increasing proportion that has had to be remitted to and spent in England:—

For the SIX YEARS ending with	Total Military Charges falling on the REVENUES of INDIA. £	Portion (of total in last column)	£
and including 1842	53,516,366	spent in ENGLAND up to 1842 ...	5,168,213
..... 1850	67,290,324	..... 1850 ...	5,931,878
..... 1868	93,869,675	..... 1868 ...	15,509,626
..... 1875	94,019,195	..... 1875 ...	20,995,395
Aggregate for the 24 years	£308,695,560		£47,605,112

The periods have been selected so as to miss the Mutiny and other special episodes of expenditure; yet it will be remembered that the six years prior to 1842 included both the Afghan Campaigns, and that the great Punjab war was only just over in 1850.

The two latter periods were both piping times of peace; but it will be seen at what a thundering rate the piper had to be paid. The enormous advance in this unproductive branch of Indian expenditure in the eighteen years after 1850 seems almost incredible; but there it is, and the official figures will not be disputed. Those familiar with Indian affairs will remember what was the chief cause of that leap and bound in Military expenditure in the period between 1850 and 1868. It was not so much the effect of the Mutiny struggle; for the excess expense arising from that cause had been stemmed in 1860-62 by the strong Committee then appointed, including the sturdy Sir George Balfour, and of which "R. Temple" was the efficient and influential Secretary. By far greater proportion of that vast leap from £67,250,000 in our six years period ending with 1850 (an annual average of £11,000,000) to nearly £94,000,000 in the period ending with 1868 (or about £15,500,000 annually) was due to the disastrous and costly measures comprised under the term Amalgamation. That ruinous influence has continued to exert its relentless force; and, as we have seen, the £16,000,000 annually of the period ending 1875 is already increased to nearly £18,000,000 without the slightest prospect of the overwhelming pressure of the War Office and Horse Guards influence being in anywise abated or controlled. When one remembers what the result has been of this revolution in military administration, forced on India by the aid of time-servers and place-hunters, and in spite of dissuasives from her most faithful and trusty counsellors, it is impossible to note with equanimity the querulous complaints of departmental secretaries like Sir Thomas Seccombe who talk about its being impossible to maintain control over the Government of India. Then, not only have we to ponder over this chronic consumption of nearly half the nett revenues of India on military expenditure, but there is the portentous addition now being made to it by this fantastic game of the "scientific frontier." Writing in 1875, Lord Sandhurst estimated that the occupation of advanced posts beyond the frontier would involve an additional army charge of £3,000,000 per annum. If advanced posts would be likely to demand such a handsome bill, how will it be when Kandahar and Jellalabad have to be established as permanent places of arms, to say nothing of the Kurrum Valley and Pishin, while a strong escort—really a complete brigade—has to be occupied in defending that unwelcome guest, a British Resident at Kabul? No one can tell how these accumulating burdens are to be borne, or what is to become of the unhappy revenue yielders of this country. One thing only is certain about it; that is, the scornful British taxpayer, the grasping Lancastrians included, will have to bear no inconsiderable share in sustaining the crushing charges which, thanks chiefly to the neglect and selfishness of the said taxpayer, have been thrown on this country.

To revert for one moment to the scientific and strictly economic subject of our last week's article, let note be taken of the leap—from less than £6,000,000 up to 1850, and the £15,500,000 in the 1868 period in our list—of the proportion of military charges paid in England. At the last named period the portion of Army charges paid at Home amounted to a sixth of the whole, while in the two earlier periods it was less than one-tenth. In the 1875 period of six years the amount that had to be remitted Home had reached nearly £21,000,000, amounting to nearly a fourth of the whole; and this tendency of a larger proportion of our army charges to be paid at Home must go on with accelerated pace under the increase of European troops and greater cost of ordnance necessitated by the Afghan occupation, and by the ever-increasing pressure from Home on behalf of pay, patronage, and promotion.* Thus, the enormous proportion of Indian revenues

* These anticipations have been more than fulfilled. The permanent establishment of a "place of arms" at Quetta, far beyond the frontiers of India; the extension of the costly military railways

expended unproductively, the rapid absolute increase in the amount, and the ever-increasing proportion of those payments that have to be made in England, when fairly looked at as we have enabled our readers to do, serve to make the yawning chasm, to which Indian finance is drifting, look nearer and deeper. But our optimist rulers heed not the peril; while native politicians and capitalists who are mostly threatened by the coming catastrophe, are either heedless, or destitute of that political instinct of cordial co-operation which alone can avail to rescue a State from the cumulative calamity that now impends over this country.—*May* 3, 1879.

NOTES ON THE GREAT FINANCE DEBATE OF 1879.

THE report by an eye-witness ("J.M.M.") of the great debate on Indian Finance, which appeared in the *Bombay Gazette* of last Wednesday, is in many points interesting. In few is it more so to Bombayites than in showing how the idiosyncrasies of the writer are apt to overcome his better judgment. The description of the Bolton member's "single speech" might pass as the generous recognition of a new man; but who, except a strong partisan, could so far lose all sense of proportion as to laud that prepared essay in order to speak of Mr. Gladstone's earnest telling appeal as "a rambling and aimless speech;" In like manner, what can the judgment of a writer be worth who "could not follow what Mr. Gladstone said about army retrenchment"; and who, in turn, can "follow" the writer himself when he rudely speaks of the experienced statesman's remedies for India's woes as "simply ridiculous"? Any politician, not to say any Indian journalist posted up closely to the current history of the day, should have been better able to estimate the objects and reasons of that remarkable speech. For weeks, probably for months past, the earnest conscientious statesman has, in the midst of other still more pressing affairs, been pondering over this condition of India question. He saw that it was necessary to strike through the haze with which the infatuated optimism of the India Office had obscured the subject. And the object aimed at was hit. In accepting as a "very grave and not exaggerated statement, Mr. Grant Duff's estimate that there is need of, and scope for a reduction of £4,000,000 in Indian expenditure," Mr. Gladstone has instituted a standard of retrenchment which other Home politicians will now have courage to work up to. And when he pointed out so clearly, that, after the license-tax, we have "no title to look to the imposition of new taxes in order to meet our deficiency," he gave a warning to the Finance department here which even that pachydermatous clique dare not disregard. In telling those responsible for Indian expenditure that they "must get rid of a vast amount of conventional estimates," that they must face even "possible dangers," and that it is idle to regard "Indian army expenditure as affording only a small field for economy," he did all he could to reawaken "that masculine spirit set upon economy," which, as he too well knows, must be roused before there can be any chance of overcoming the desperate, though perhaps undemonstrative opposition from the powerful class interests that thrive on the Indian revenues. The crowning and special merit of Mr. Gladstone's pregnant, and, for him, short speech is, when he so strongly pressed the truth, that the "ultimate responsibility" for Indian Finance rests on Parliament itself.

Reverting to the carefully prepared speech by Mr. J. K. Cross we must apprise our readers, in case they may not have already recognised its special merits, that it is one well worthy of close examination and future reference. It is not least so in respect of those portions which "J.M.M." seeks almost petulantly to repudiate when he patronisingly speaks of Mr. Cross falling a victim to "the delusion fostered by ignorant and presumptuous writers." Possibly there may be "presumption," and if not "ignorance," then perversity found in other quarters. In the penultimate paragraph of his present letter "J. M. M." falls foul of Mr. Hyndman and tries to break the force of the crushing reply given by that writer to the letter in the *Times* by the former under his full signature. And this is done in characteristic fashion. Whilst accusing Mr. Hyndman of quibbling, because, after citing Sir John Strachey's dictum about "no direct commercial return" for the £20,000,000 excess of India's exports over imports (he did not repeat the word "direct") "J.M.M." proceeds to put a gloss of his own on the Finance Minister's statement. But this is not a matter of

between Sinde and that outpost; and now still further in the direction of Kandahar, have formed plausible excuse for the definitive addition, in 1885, of 10,000 European troops and considerable increase to the Native armies, thereby entailing an additional annual charge of about £3,000,000 sterling.

phrases; it is a question of fact—by far the most portentous fact that concerns India's present and future condition. So let us see how "J. M.M.'s." justly lauded new light, the member for Bolton, treates this question of fact:—

> India sends us a very large quantity of surplus profits. She sends us nearly £20,000,000 a year more than we send her in merchandise [and treasure together]. When India would take, had she her own way, her returns, in silver, salt and shirtings, we force her to take all kinds of things that she does not want. We make her take expensive soldiers and still more expensive Civilians, and we make her pay for absentee soldiers—for soldiers who never go near her. He was not blaming any particular Government. He had shown that in 1868, the Home payments amounted to a sum equal to 4¾ per cent. of the land revenue, and that in 1879 they required a sum equal to the whole net land revenue. This showed an increase of annual charge upon India of 104,000,000 rupees in eleven years. (Hear, hear.)

And here is the concluding sentence of Mr. Cross's speech:—

> On all the grounds he had stated, he asked the House to agree with him in thinking that the future course of silver, and therefore of exchange, would depend upon the absorbing power for silver which India possessed; that such power must depend upon her prosperity, and that her prosperity depended in a great measure upon economical government and a complete curtailment of the charges payable in England. (Hear, hear.)

That expression "complete curtailment" is not one we should have used. Very great curtailment is possible and is imperatively demanded; but, as our readers know, we rely far more upon some substantial set-off. When the masterly statesman for whom India is waiting shall come to the front, it will be found that, at the cost of slightly augmenting the Home charges by interest for reproductive works, it is possible to largely reduce the annual payments now so helplessly regarded as inevitable. Thus could be staunched the hemorrhage of "loss by exchange" and a flush of prosperity and new life would be sent through every vein of the Indian body politic. It is not *we* who undervalue the "indirect" commercial advantages that *might* be derived from duly regulated payments in return for the cheap funds of England; but no declamation or sophistry on the part of "J.M.M.," Colonel Chesney, or any one else can abate the force of the scientific truth, that payments out of a country, for which no material return is received, lower prices in that country and depress all its industries and profits. We are quite aware that, as Mr. Cross pointed out, to the unbounded delight of "J.M.M." there is a certain counter-effect which high rates of of exchange (*i.e.*, greater cost of making the money payments aforesaid) have in enhancing the local price of readily accessible export products in the dependent country. But this is only one thing that "is seen;" others that are "not seen" are (*a*) that prices of these exports, along with everything else, have first been artificially depressed, and (*b*) the enhancement of the exports is only the counterpart of artificial dearness of imports. If it be said this is a digression into technicalities, students may refer back to our Nos. 21, 22, 23 and 26, especially the latter, where they will find material and suggestion for the study of the whole subject both theoretical and practical. That material is not ours, so our contemporaries need not shy at it; part of it is contributed by two of the most practical economists who ever wrote in or on India, and the rest by the English masters of the science.* There was, besides, the direct practical precept of Mr. Crawford, the mercantile member for London. We only put those materials in shape; and we refer to them now, believing that they not only serve to explain all the difficulties which the several speakers in this great debate strove in various ways to account for, but also supply suggestion and guidance towards India's deliverance from the perils that environ her.

Mr. Cross's struggle to show the other side of the exchange question, and his not wholly random shot about the enhanced price of opium, remind us of Mr. Goschen's speech in the same debate, which was described by the London Press as scientific and highly technical. We turned to the report, therefore, in the hope of meeting with one of those lucid compact statements of abstruse points in monetary science which Mr. Goschen alone, on our side the Channel, can give; but we were disappointed. Not in Mr. Goschen—for we have no doubt he did full justice to his reputation in this respect—but in the report. It is manifest that the reporters themselves had been scared by the technicalities, for they have dropped them out of their notes—leaving however that reference to Mr. Bagehot which suffices to indicate the *lacunæ* of the report. The most notable service of Mr. Goschen's speech, as it appears

* The articles in Nos. 21 and 22 are here given pp. 434-9. Some writers referred to are Sir George Wingate, Professor Green, Mr. R. Knight, Walter Bagehot, and Sir William Hunter on Earl Mayo's Public Works policy.

in the *Times*, is the rather common-place but highly useful one of bringing the silver statistics up to date. But in referring to the large import of silver into India in 1877-78, by way of correcting Mr. Cross, he appears (according to the report) to have omitted the altogether indispensable explanation that the large import of silver indicated temporary reduction (because of the famine) in the vast volume of Council Bills, which, before and since, keep India's imports of silver abnormally low. It is that temporary reduction we desire to make continuous by other means.—*July 5, 1879.*

ANOTHER GREAT REPUTATION MARRED:

Indian Revenues Sacrificed to Party Exigencies.

SO Sir Henry Sumner Maine has gone over to the majority—not indeed in the meaning of the fine old Roman phrase, but in the modern sense—the majority of time-servers and trimmers. This may seem a harsh judgment to pass; but we can no way better express our sense of amazement and intense disappointment on reading the abstract given by this week's overland papers of that eminent man's Minute apologising for the arbitrary sacrifice of the Indian cotton import duties. We are quite willing to admit that the full text of that document is certain to vindicate the high dialectical skill of the writer; but the fragments given sufficiently indicate that, while all the great jurist's logic may be there, we shall miss that comprehensive grasp of the facts of the case and that eminently reasonable temper which have usually rendered the State papers of Sir Henry Sumner Maine so instructive. On this occasion it seems as if the philosophic and dignified statesman had "narrowed his mind" to accepting a brief from those men of Belial—Lords Cranbrook and Salisbury. And the penalty of having drifted into such a grotesquely false position—Wisdom stooping to the tasks of the paltry partisan schemes of the hour—is manifest in the result. It is exasperating to see Sir Henry Maine superfluously spending his powers on a false issue, in proving that, technically, the Viceroy has legal power to disregard the conclusions of a majority of his Executive Council. The obvious purpose of that exceptional function is that the Governor-General, as representing the Crown and Parliament, may intervene on behalf of the people and interests of India in matters where Service and other local Indian prejudices or class interests might otherwise thwart the larger policy and beneficent purposes of the Imperial Home authorities. It is true that, in this instance, Lord Lytton was the instrument of the Home authorities to whom accident has given the control of Indian affairs; but the high prerogative was abused for their own paltry and unworthy purposes, and in contemptuous defiance of the immediate and pressing interests of India. As to the peculiarly ingenious attempt to found an argument on the supposed necessity of the Finance Minister being, with the Governor General, omnipotent in the Executive, we do not see what there can be in it, except that, as put, it proves far too much. For, whereas, the object of such a provision or "understanding"—loose term that, Sir Henry—is that the finances of India shall be conserved and defended, if necessary against the Secretary of State himself, in this instance, the "understanding" was used to sacrifice and fling away a portion of the Indian revenue which was only objectionable on technical and abstract grounds, and the remission of which, as we see Sir Barrow Ellis had aptly remarked, can only be "effected by (afresh) taxing the people of India." Sir Henry Maine has "heard no answer to the economical argument"—*i.e.*, of those renowned freetraders Lord Salisbury, Cranbrook and Lytton—in favour of the abandonment of these duties. If so, he must have listened very badly; but, in fact, this way of putting it reminds one painfully of all but the lowest order of special pleading. . . . . .

Perhaps the most deplorable portion of Sir Henry Maine's Minute is that wherein it is "defaced," to use his own word, by a *post facto* justification for yielding to a clamorous class interest. Who can deny the force of the following as a general statement:—

> Nothing could be more valuable to the Government of India than a body of English opinion steadily directed towards Indian affairs by a healthy material interest in them.

Just so; but where, Sir Henry, is the "healthiness of the material interest" in this instance? The Lancashire leaders, driven blind by the unexampled depression of their industry, cast about wildly for the point of least resistance. They found it in a Secretary of State of robust conscience, the fate of whose party hangs on the Lancashire vote; and, ignorantly exaggerating the infinitesimally protective influence of the Indian cotton

import duties, demand their abolition as the price of electioneering fealty. What is there "healthy" in this, Sir Henry? Was not the temper in which this compact was conceived as morbid as could be; and is not the ratification of the bargain—just now shamelessly proclaimed by the chief actor in it—degrading to both parties? Sir Henry Maine is a man of refined character and high principle; hence, to avoid the natural loathing that this transaction would have created in him, he must have steadily looked away from the facts. This explains partly why he takes refuge in generalities, as thus—"There could be no worse result of Indian financial policy than that the opinion of the North of England should become indifferent to topics of Indian Government;" and he remarks that "we (the Indian Council, we presume) are too much at the mercy of amateurs"—that is, in the way of public opinion on Indian topics. Now, if Sir Henry Maine were not such a recluse, he would know that in this corrupt transaction he and his six assenting colleagues have fallen into the hands of the veriest "amateurs" in Indian affairs that could be met with. Their invincible ignorance as to the incidence of the import duties in question was in itself a proof of this. True, it would be a misfortune "that the opinion of the North of England should become indifferent to topics of Indian Government." But what is that "opinion" worth, if it has to be bribed by playing fast and loose with Indian revenues for the benefit of the "amateurs" who need their opinions to be so elicited or stimulated? Sir Henry is under an absurd mistake as to his representatives of a "healthy material interest." These men are most of them representatives of the factious party in Manchester and Liverpool who have persistently opposed the cultivation of a "healthy material interest in Indian affairs." They or their predecessors were the bitter opponents of the true freetraders, of the men who sent Alexander Mackay out to Western India, and who obtained the appointment of the Committee on Cotton Cultivation in India, which first opened up the whole subject and prepared the way for the vast development of cotton growth and export which we now witness. Amongst many other of the energetic and public-spirited men who did heartily promote that "healthy material interest" in Indian affairs that Sir Henry Maine desiderates, there was the former member for Stockport, whose obituary the journals of the day have just published. For years he bore the honourable cognomen of "Godavery Smith," indicative of his earnest desire to give to India the incalculable blessing of cheap internal communication by water-carriage. But these "amateurs" or their predecessors whom the philosophic Indian Councillor takes to his heart, belong to a local party who thwarted and scorned men like "Godavery Smith," who, in turn, would have scorned to be bribed by their own "material interest" into taking interest in Indian affairs. Thus, as we intimated at starting, Sir Henry Maine having taken up the, for him, unwonted role of time-server and official sophist, Nemesis has visited him on the spot by causing him to err egregiously in regard to every group of facts he has handled in his Minute of September 30.*—*Oct.* 25, 1879.

NOW—A VAIN REGRET.

WHILST we may have our own doubts as to the entire expediency of the appointment here suggested by the *Indian Herald*, we should be glad to see the new Ministry thus greatly dare by trenching on the preserves of the ruling classes:—

> If the Liberal Ministry really wish to appoint a Secretary of State who would be welcomed by all classes of the native community, it will offer the post to the member for Hackney. No statesman of the present day, except, perhaps, Lord Northbrook, enjoys such widespread popularity in India as Mr. Fawcett, does just now.

* Possibly this criticism may seem, at first sight, somewhat ungracious now that the eminent man under notice has really passed over to the majority; but the subject was too important to be neglected in a retrospect of this kind. On p.p. 431-2 may be noticed arguments on the general question; but subsequent to that date, under Lord Northbrook's Government, all that portion of the import duties on manufactured cottons that corresponded to the low "counts" which can alone be produced by the Indian mills, had been swept away; so that the remaining duty was only retained for revenue purposes. The removal of this, in Lord Lytton's time, in deference to clamour from Lancashire, has ever since been bitterly resented by Indian taxpayers, who have seen taxes on income, on salt, and on other objectionable imposts applied to make up the deficiency so caused. Quite apart from this fiscal question, in which it was almost gratuitous for Sir Henry Maine to interfere, the light that is in the above extract thrown on the inner working of the Indian Council is very instructive. Since that date it has been more difficult than in former times to know what part is taken by individual members of the Council; but the need for such knowledge is greater than ever.

This latter remark is so abundantly true that we almost dread to see Professor Fawcett, by accepting the chain of an official position, risk diminution of the deep respect with which he is regarded in India. That, however, is little better than a sentiment. The substantial drawback to Mr. Fawcett being placed in the all-powerful position of Secretary of State is, that he has not mastered the Public Works question, but remains in the same *galerie* with Calcutta writers, the Bengali politicians, and such declaimers on that subject as Messrs. Smollett and Da Costa. With all his knowledge of Finance, he has not even begun to see that, wisely planned, consecutive exploitation of productive public works in India, based on discriminating utilisation of the cheap capital of England, would be the salvation of this country, and offers the only practical solution to the otherwise hopeless "drain" on Indian resources inseparable from the maintenance of costly foreign rule. By adopting the superficial view, which confounds public works outlay with Military and other unproductive expenditure, Mr. Fawcett played into the hands of the India Office clique, which, through the so-called Public Works Finance Committee of last year, were scheming to bring about that gigantic sham—the "surplus" that the party desired for their electioneering purposes. Mr. Fawcett's motives are of the purest and highest order; his intellect is acute and energetic, but not comprehensive. Hence he lacks the faculty of patient, brooding, observation and reflection, which can alone give that all-round, "slow wise thought" required for final solution of the more difficult problems of Anglo-Indian policy. Still, we should be glad to see Mr. Fawcett installed as Secretary of State for India, if the governing classes deem that politically possible. He would do a world of good in that position if he held office for six months. Failing the Cabinet post, we trust he may be willing to accept the Under-Secretaryship.—*April* 10, 1880.

THE BOGUS BUDGET OF THE AFGHAN WAR AND ITS EXPOSURE.

THIS week's affliction has been the publication of another huge batch of bankrupt financiers' confessions—bankrupt, alike in reputation and in respect of the coffers of which they were the responsible guardians. Although the spectacle of Sir John Strachey, Lord Lytton, and the half dozen ciphers whose names are also appended to the confession is an afflictive and humiliating one for the ruling race, we freely acknowledge that the public are greatly indebted to the daily journals all over India that have published the text of these documents. We may as well mention the dates of the principal papers. The biggest white sheet, dotted within and without with printer's ink, is most fittingly that bearing the inscription John Strachey, and is dated May 20th. Next is the scrimpy mantle in which Lord Lytton does his lugubrious task, dated 26th of the same; followed by the jauntily worn tippet inscribed with the names of the five other Supreme Executives—amongst which it is rather hard on "J. Gibbs" to have his name included, seeing that on June 1st, the date it bears, he could have scarcely had time to set up his new Simla bureau. This covering letter from the Government of India is as jejune as a Queen's Speech, and is merely a feeble echo of the weaker points in the Viceroy's own Minute. But these *pieces des conviction* are not all. There is a portentous batch of appendixes in which are exhumed the more technical points in the final recommendations laid down by the Commission of English financiers sixteen years ago, and which left the machinery of Indian accounts so complete that none but blinded and reckless men—such as those who are now paraded for irrevocable condemnation—could err therein.

But we must draw attention to the evident object with which these excerpts have been cunningly selected by Sir John Strachey and his henchman, Mr. R. B. Chapman. The selection and publication of these ancient paragraphs is an exercise in the skilful art of dust-throwing. It will be observed they are ingeniously chosen, referred to, and arranged so as to afford some little plausible cover for such apologies and shiftings of blame as the Finance Minister has the hardihood to infuse into his really pitiful and worthless defence. It is to be hoped that the indignation and scorn, not loud but deep and sustained, that these State papers must evoke, will sweep away that refuge of subterfuges, evasions, and suppression, in which too many of our high executive authorities habitually take refuge when their ears catch the rising roar of public condemnation. This verbose parade about defects in system and erroneous methods of accounts is so much fudge and fiddle-faddle, the only tendency of which is to ward off or mitigate the personal penalties that ought to be visited, from Major Newmarch upwards, on every man concerned in this astounding and unparalleled blunder in national account keeping. Can any one doubt, if on receipt of this

abortive, and futile explanation the Secretary of State had been instructed to telegraph out that Sir John Strachey's pay and allowance as Finance Minister and Member of Council should cease from date, that the effect, in keeping the future financial transactions of the Government of India straight, would be a hundred times more efficacious than that which can arise from any *post facto* revisal of military accounts, forms, and treasury regulations? Only some drastic course of treatment, and striking examples such as the one we have suggested, can restore political fibre and official faithfulness to the upper ranks of public servants, both here and at home. As to the actual financial position as disclosed by this later information, so much has been said during the last few days by the Indian Press—with remarkable unanimity and much point—that we need not here attempt to go into the question of revised current estimates. Even Sir John Strachey now estimates the total cost of the war at £15,000,000 independently of the cost of the frontier railways; to which estimate the public will, instinctively, add £5,000,000. One of our daily contemporaries puts it thus: "India will be fortunate if she gets out of this war, including the non-remunerative railways at a cost of £20,000,000." Whichever estimate we take is sure to be exceeded, in presence of the still intractable and all but hopeless position of affairs in Afghanistan.* Apart from the *Pioneer's* portentous hint, "further financial revelations of great magnitude" yet to be made, the matter-of-fact statement comprised in this Reuter's telegram of the 12th affords sufficient basis for the gloomiest possible apprehensions:—

> Among the official correspondence on the Indian deficit is printed a despatch from the Secretary of State for India, dated June 7th, replying to a letter from the Indian Government of March 4th (May), in which the explanations offered, Lord Hartington considers, are unsatisfactory and insufficient. His lordship further says that the estimates of 1880-81 were *not sufficient even to meet the outstanding charges of* 1879-80; he is therefore unable to understand how the Indian Government arrived at the conclusion that there was no apparent cause to distrust the adequacy of the estimates prepared by the Department of Controller of Military Accounts.

By the way, this despatch must have been at Simla nearly three weeks, and ought to be published without a single day's further delay.

To revert a moment to the despatch of confessions, there is one moral aspect of the episode, and that as we consider the most essential, to which scarcely any of our contemporaries have attached sufficient weight. Take, for instance, this passage, which is like only too many more: "28. My conclusion, then, is, that the failure of our estimate is due to our ignorance of the actual expenditure on the Army, rather than to an inadequate *a priori* appreciation of the probable cost of the field operations." The future historian, unless he is a man of insight and obtains some traces of the now current floating evidence of the political demoralisation that obtained at Simla until the bubble of revolutionary Toryism burst, will be driven to put down to sheer blockheadness that "ignorance" and "inadequate *a priori* appreciation"—not of the "probable" but of the certain cost of the Afghan invasion and occupation. Such stubborn determination to look away from the facts, and reckless disregard of plainest possible warnings of limitless expenditure, could only have been possible during a chronic frenzy of political delirium such as has not afflicted British officials since the early years of this century. In order to understand such an utter abandonment of common sense as prevailed amongst the cliques and coteries who had the fortunes of this unhappy Empire in their grasp, from the time of the Peshawar Conferences to the bubble Budget of February last, the said historian will have to fall back on a few private letters, and resort to the most prosaic literal interpretation which it will then be possible to make of "Ali Baba's" subtle but searching irony.—*July* 17, 1880.

THE COMMERCIAL DEFICIT IN 1878-80.

THE usual monthly returns of British India foreign trade were published nearly a fortnight ago. We withheld our own tabulated abstract last week, because these, being the figures for the whole twelve months, seemed to afford an opportunity for our supplying the

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* The direct cost of the Afghan invasion and retreat proved to be about £22,000,000; to which, as if in honest shame, the British Treasury contributed £5,000,000—the first sacrifice ever made by England on behalf of India, and which will always be honourable to the Ministry who granted it, in which the Marquis of Hartington was Secretary of State for India. Besides that direct cost just mentioned, there are the trans-frontier railways, estimated at £13,000,000, and still going on; then there is the large permanent addition to India's military expenditure, spoken of elsewhere, amounting to £2,000,000 or £3,000,000 of annual charge.

other factors required in order to exhibit India's yearly balance-sheet in account with the rest of the world. But, as on some former occasions, we have found it exceedingly difficult to trace all the extra, collateral, and unseen figures required to complete the statement: here we give the figures which are seen :—

Seaborne trade of British India for the twelve months ending 31st March.

	1879-80. Rs.	1878-79. Rs.	1877-78. Rs.
EXPORTS.			
Total Merchandise	67,21,07,406	60,93,75,131	65,22,23,282
„ Treasure	2,03,51,479	3,98,22,283	2,21,09,956
Total of Exports	69,24,58,885	64,91,97,414	67,43,33,238
IMPORTS.			
Total Merchandise	41,17,25,671	37,80,05,942	41,46,41,851
„ Treasure	11,65,48,948	7,05,67,486	17,35,54,596
Total of Imports	52,82,74,619	44,85,73,428	58,81,96,447
INDIA'S COMMERCIAL DEFICIT	£16,418,426	£20,062,398	£8,613,679
India's Total Trade ... Rs.	1,22,07,33,504	1,09,77,70,842	1,26,25,29,685

It would be very easy for the official reporters to include such a summary as this we give each month. There could be no possible objection to this, and something of the sort is needed to make the returns complete ; but we suppose that official optimists like Mr. O'Conor would feel some political *mauvaise honte* in giving that last line but one of our table. Yet that is by far the most important of all the factors for those who desire to trace the real course of the actual working of British Indian finance. Most other journals that quote these trade figures at all, just jumble them together in a "run on" paragraph, from which the ordinary reader turns aside, feeling it almost hopeless to make head or tail of the statistics. But minor variations have little bearing on the great political-financial question—what is the extent of the disadvantage at which India stands in her foreign trade ; and why—as compared with all other countries on the face of the globe—does this enormous disadvantage exist ?—*May* 22, 1880.

DETAILED EXPOSITION—LOANS AND DEBTS.

II.—Last week we had to break off abruptly with our comments on the Trade Returns. It was shown in our table above that "India's Commercial deficit" for the three years ending with March 1880 was $8\frac{2}{3}$, 20, $16\frac{2}{5}$ crores respectively. On these figures we raised the query—what is the whole extent of the disadvantage at which India stands in her foreign trade, and why, as compared with other countries, does this disadvantage exist ? Leaving the second and more important half of this query, let us, for the present, supplement our table with a view to make up the amount to its true extent. The first obvious addition required is to add the nett amount of Government paper enfaced for payment of interest in London during each year. This tide does not always run in that direction. In some years there is a preponderance on the side of Government paper returned to India ; and then the nett amount must be applied as a deduction from the "Commercial deficit" of our table. We have spoken of this adjustment as one obviously required. It is so because the remittance of enfaced paper is sent in lieu of exports of merchandise or instead of bank bills in satisfaction of monetary claims which merchants or bankers must meet. In like manner, when the enfaced paper is returned it comes in lieu of treasure or goods, and acts as a set-off to exports of all sorts from this (*i.e.*, the Indian) side. But it is only the balance of these transactions that we have to do with in stating the national account. We find, then, the nett balance for the year ending with March last of enfaced paper sent Home was 304 lakhs. This swells the figure of "Commercial deficit" given in our table for 1879-80 to 19 crores 45 lakhs. Having taken the trouble to trace the figures of enfaced paper for the two previous years we will state them : in the year 1878-9 the nett amount sent to England was 130, making the figure of deficit 21 crores 30 lakhs ; and in 1877-8 the amount was 144 lakhs, making the deficit for that year stand at 19 crores and 5 lakhs. The next adjustment required is one for which we find it nearly impossible to trace the exact figures for each year ; but we can easily state the principle to be followed. When

loans are taken up at Home the sum paid into the Secretary of State's treasury lessens the amount of Council drafts drawn on India, and this in turn, increases the values exported from England either in goods or treasure—especially the latter. But in taking a review of a series of years it must be remembered that the debt owing at Home is an addition to India's adverse balance with the outer world. To that extent the "Commercial deficit" stands at a lower figure than would otherwise be the case; and to bring out the real position, the amount of such loans taken up in London must be added to the last line but one in our table. During last year the loan of £5,000,000 sterling announced on March 13, 1879, was taken up at Home: and referring to the current Financial Statement, it would appear that a total debt of £5,131,100 was incurred. The deficit we have already stated for 1879-80 should therefore be increased, making a larger total by that amount. But there is an unusual circumstance which seems to require a deduction of £2,000,000 from that total. This was the provision of the advance, to that amount, from the British treasury to help the lame dog India over the stile of the first Afghan Campaign. For the other two years of our period we are unable to give the figures, as although all the aggregate figures of the Government of India's finance accounts are full and explicit, it is very difficult to apportion between one year and another the account of debt taken up and discharged at Home. Thus, in 1879, we observe there were 4 per cent. bonds discharged to the amount of £2,874,500, which should be a set-off to the total deficit we have given above. On the other hand there was £2,226,584 taken up at Home in course of 1878, and this would probably affect the balance in 1879.

Still the aggregate figures show clearly enough how the Commercial deficit is always against India. It will be observed than in 1877-8 the deficit was very much less, and the imports of treasure very much larger, than in the two subsequent years. This is accounted for in great measure by £4,250,000 of debt incurred at Home in 1877, and partly, perhaps, by the £2,250,000 just mentioned as taken up in 1878; and there was also an addition of £1,000,000 to the "temporary debt" in that year. However the Secretary of State's finance was arranged for 1877-8, it is clear that there was a large diminution in his demand on India which caused a corresponding diminution as shown in this country's Commercial deficit for that year. The cause of that diminution is curiously corroborated by the figures in the Finance accounts of "Secretary of State's Bills discharged in India" which are given for 1878 as only Rs. 10,32,27,939 as against Rs. 17,46,57,700 in 1879. The tide of bills was checked; and, by natural consequence, treasure flowed in, as will be seen to the extent of 17⅓ crores. By that relief the country was enabled to struggle through the famine: and by similar relief, if it could be regularly obtained, India would speedily rise to an unusual condition of prosperity.

It is rather remarkable that the *Economist*, though devoting two or three articles lately to the trade of British India, does not seem to have perceived this big blot on our international balance-sheet. Our contemporary grieves over the inelastic nature of export trade from Europe to India, but cannot, for the moment, see the huge barrier of Council Bills which keep back merchandise and silver alike. And this is the anti-climax with which the great economic authority gives up the puzzle:—

> An examination into the details of the Commerce of India—even yet far more feeble than is to be wished—leads to the belief that an improvement in the condition of that country cannot be looked for by any single sweeping measure of reform. Resolute attention to what seem in themselves small matters—careful watching of the details in which improvement can be introduced—will point the way. To nations, as to individuals, there is no royal road to success. The introduction of English Capital may do much to assist Indian trade.

What can be more feeble than this pottering over "details" and "small matters?" None of these are to be despised—not, for instance, repeal of the English duty on Indian gold and silver artistic work—but, in this instance, there is a "royal road," if not to success, to the deliverance of India from that chronic industrial and commercial depression which the *Economist* vainly laments. There is a hint in the right direction, though a very vague one in that remark about "the introduction of English capital." Yes; the "royal road" is there, but it needs a "king of men" to open it up. The finger-post is inscribed in simple characters—"utilisation by the State of the abundant funds of Europe on productive Public Works, thereby minifying the Council drafts and letting in cheap silver to replenish our inadequate currency." All this was duly worked out in our Nos. 21, 22 and 23 a year ago; and when the "king of men" is available there are the tools ready for him.—*May* 29, 1880.

Maharajah Scindia's Silver Imports.

It was recently mentioned in a news-letter that his Highness the Maharajah Scindia had been importing silver—from America, it is presumed. The writer had observed the packages being transladed at the Agra Station and estimated that there was from three to four tons of the precious metal. This quantity might represent a fair amount for the Gwalior State, but would be a mere trifle in British India. The Bombay Mint turns out more than that every week. The loan that the Government of India is asking will represent over 300 tons. But the incident seems to remind us of the palpable unwisdom of this loan being taken up in this country instead of being borrowed in sterling at Home. Reckoning the usual course of the Secretary of State's drafts, the whole amount of the rupees taken up here will have to be remitted to London in about seven weeks. Could any method of financing be more utterly foolish than this? With bankers, brokers, and native capitalists who profit by it, this shortsighted policy of borrowing in the dearest market may be expected to be popular. By our State financiers, who should take a larger and more comprehensive view, the broader interest of the people and taxpayers of India ought to be considered. For the pottering course of taking up this loan in India the excuse is, that if taken up in England the interest will have to be remitted. But this is the mere surface aspect of the matter, and it is puerile superstition to act upon that. Fifteen to eighteen millions sterling must be paid in London during the year. If the Government of India has to borrow as it must, and much more than this 313 lakhs as will soon be seen—the most ordinary business common sense prescribes that loans should be taken up on the spot where the fifteen millions are wanted. The transaction in England would be from 1 to 2 per cent. more favourable in point of interest, and 3 to 4 per cent. better in the principal amount. But that is only what is seen as regards the transaction itself. To take three or four millions of Council drafts off the market would not only largely lessen the Government of India's "loss by exchange" but would relieve all the mercantile exchange of the year, while leaving the capital in this country, and would assist the commerce and industry of India in all directions. As to the cost of future remittances of interest it is matter of arithmetical demonstration that whenever the exchange value of the rupee is down to 1s. 8d.—we should say whenever it is down to 1s. 9d.—the large immediate saving in exchange and the very considerable future and perdurable advantage in lower interest and better rate of subscription to the principal *far outweigh the cost of remittance.* This, we know, is not the popular view, and the peddling doctrinaires of the India Office refuse to look the facts in the face; but the conclusions we have stated are the true ones, as any competent financier who will go into the calculation can prove for himself.—*May* 22, 1880.

Mr. Grant Allen's Blunders.

Amongst the many conflicting opinions now before the public on the subject of India no two can be more diametrically opposed to each other than those of Mr. Grant Allen and of Dr. George Birdwood. The former of these gentlemen writes in the current number of the *Contemporary Review*, the latter in that of the *St. James's Budget*. Mr. Grant Allen seeks to prove to the world, upon the score of profit and loss, that in justice to herself it has become the manifest duty of the British Government to abandon India, and thus wash its hands of an annual cost amounting to 15,000,000 sterling. This, as we have already shown, is sought to be proven by statements so utterly erroneous and incoherent that Dr. Birdwood, without superflous ceremony, knocks them over like so many ninepins, and shows that the £15,000,000, at which Mr. Grant Allen estimates the cost of India to the Government, is placed to the wrong side of the account. We need do no more than give a clue to the fallacy upon which Mr. Grant Allen rests his contention. By some strange freak of his arithmetic, wars in which India has, rightly or wrongly, engaged herself, are put down to the cost of England, while the truth is that they never cost England a penny. Then again, the cost of the maintenance of Gibraltar, Malta, and Aden, are placed to the debit of India, though the two first became possessions of England quite irrespective of our sway over India; and for Aden, every shilling of its cost is drawn from the revenues of India. Dr. Birdwood makes a clear sweep of these idle assertions, by question—"Is it possible that Mr. Grant Allen has not learned that the balance in fav of England on all her transactions with India, is over £15,000,000 a year; that India and England receives this considerable sum yearly; and that the amount of this price o benefit India derives from the connexion with England is the very ground for questio the value of that connexion to India?"—*Nov.* 20, 1880.

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Wood, W. Martin.

Things of India made plain, or journalist's retrospect, part I & II [illegible]

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